

**CALIFORNIA  
POSTSECONDARY  
EDUCATION  
COMMISSION**

**Faculty Salaries**  
**in California Public Higher Education**

**UNIVERSITY OF CALIFORNIA**  
**CALIFORNIA STATE UNIVERSITY AND COLLEGES**  
**CALIFORNIA COMMUNITY COLLEGES**  
**UNIVERSITY OF CALIFORNIA MEDICAL FACULTY**

FINAL REPORT

FACULTY SALARIES  
IN CALIFORNIA PUBLIC HIGHER EDUCATION  
1979 - 1980

University of California  
California State University and Colleges  
California Community Colleges  
University of California Medical Faculty

A Report Prepared  
by the  
CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
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## CHAPTER I

### UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

#### INTRODUCTION

Annually, in accordance with Senate Concurrent Resolution No. 51 (1965 General Legislative Session),<sup>1</sup> the University of California and the California State University and Colleges submit to the Commission data on faculty salaries and the cost of fringe benefits for their respective segments and for a group of comparison institutions specified for each.<sup>2</sup> On the basis of these data, estimates are derived of the percentage changes in salaries and the cost of fringe benefits required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology by which these data are collected and analyzed is designed by the Commission in consultation with the two segments, the Department of Finance, and the Office of the Legislative Analyst. Commission staff audits the data and prepares two reports, one in the fall and one in the spring, which are transmitted to the Governor, the Legislature, and appropriate officials. The report which follows is the final report for the 1979-80 budget cycle.

This report contains two major chapters: (1) an overview of faculty salaries and the cost of fringe benefits at the University of California and the California State University and Colleges; and (2) a preliminary analysis of faculty salaries in the California Community Colleges.

In addition, there is also a discussion of general economic conditions; an analysis of the comments on faculty salaries that were published by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80; and a report on medical faculty salaries that was developed by the University of California pursuant to a legislative directive. The final two items are included as Appendices.

#### HISTORY OF THE SALARY REPORTS

The impetus for the faculty salary reports came from the Master Plan Survey Team in 1960, which recommended that:

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1. See Appendix A.
  2. See Appendix D for the lists of comparison institutions used for the University of California and the California State University and Colleges.

3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the<sub>3</sub> testing of the assumptions underlying this report.

For the ensuing four years, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in his Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. These reports, while undoubtedly helpful to the process of determining faculty compensation levels, were considered to be insufficient, especially by the Assembly which consequently requested<sub>4</sub> the Legislative Analyst to prepare a specific report on the subject.

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51, which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council and, subsequently, the Commission, have submitted reports to the Governor and the Legislature. The first, a preliminary report, is released in December as an aid to the Department of Finance in its<sub>5</sub> development of the Governor's Budget; the second, a final report, is issued in the spring for use by the legislative fiscal committees during budget hearings.

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3. A Master Plan for Higher Education in California, 1960-1975, California State Department of Education, Sacramento, California, 1960, p. 12.
  4. This request came in the form of House Resolution No. 250 (Unruh) during the 1964 First Extraordinary Session of the Legislature (Appendix B).
  5. Prior to 1973-74, only one report was issued for each budget cycle.

In each of these reports, faculty salaries and the cost of fringe benefits in California's four-year public segments are compared with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.<sup>6</sup> In general, other indices such as changes in the Consumer Price Index have not been employed, since the original rationale for the salary surveys was the maintenance of competitive institutional parity rather than parity vis-a-vis the cost of living. It was not intended that salary adjustments would necessarily prevent erosion in faculty purchasing power since inflation was a minor concern in 1965. The primary objective was to assure that California's public institutions would be able to attract and retain the most-qualified faculty members available and thereby at least maintain, and hopefully improve, the quality of educational programs.

Since the passage of SCR 51, the Coordinating Council and the Commission have issued reports for thirteen budget cycles. In each case, comparison institutions have been employed in determining salary and fringe benefit levels. This report, the fourteenth in the series, continues that tradition.

#### SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

Each year, the segmental central offices prepare requests for faculty salaries and the cost of fringe benefits for presentation to their respective governing boards--the Regents and the Trustees. The segmental requests for salaries and the amounts granted by the Governor and the Legislature since the 1965-66 fiscal year are shown in Table 1.

It should be noted that, although the average increase granted to State University faculty has been approximately 1 percentage point greater than that approved for University faculty over the past fourteen years, this disparity has been all but eliminated since 1968-69. In the ensuing ten years, the average increase for University faculty has been 4.0 percent, while that for State University faculty has been 4.3 percent. During the past four years, the percentage increases have been identical. Also, the ten-year period referred to includes three years when no increases were granted.

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6. The methodology for the faculty salary reports is shown in Appendix C. Comparison institutions are shown in Appendix D.

TABLE 1

PERCENTAGE INCREASES REQUESTED BY THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND THE  
AMOUNTS GRANTED BY THE GOVERNOR AND THE LEGISLATURE  
1965-66 THROUGH 1979-80

<u>Year</u>	University of California		California State University and Colleges	
	<u>Requested</u>	<u>Granted</u>	<u>Requested</u>	<u>Granted</u>
1965-66	10.0%	7.0%	10.0%	10.7%
1966-67	2.5	2.5	6.1	6.6
1967-68	6.5	5.0	8.5	5.0
1968-69	5.5	5.0	10.5	7.5
1969-70	5.2	5.0	5.2	5.0
1970-71	7.2	0.0	7.0	0.0
1971-72	11.2	0.0	13.0	0.0
1972-73	13.1	9.0	13.0	8.9
1973-74	5.4	5.4	7.5	7.5
1974-75	4.7	4.5	5.5	5.5
1975-76	10.8	6.7	10.4	6.7
1976-77	4.6	4.3	7.2	4.3
1977-78	6.8	5.0	8.5	5.0
1978-79	9.3	0.0	9.9	0.0
1979-80	<u>16.0</u>	<u>N/A</u>	<u>14.4</u>	<u>N/A</u>
Total		78.11%*		101.8%*
Average		4.2%		5.2%

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\*These totals are compounded to indicate the total percentage increases granted since 1964-65. No totals are shown for segmental requests since they are affected greatly by the amounts granted.

## University of California

On November 16 and 17, 1978, the University's Board of Regents discussed the faculty salary request for the 1979-80 fiscal year. The President of the University made a lengthy presentation in which he explained the role of the Commission and some of the mechanics of the process of comparing University faculty salaries to those in other universities across the country and in California. He noted that, although the University has supported the comparison method, the Governor and the Legislature have seldom approved the increases which were dictated by that methodology:

. . . the legislative process has seldom been guided by the comparison survey in over a decade. The Legislative Analyst pointed out in his analysis of the Budget Bill, 1975-76, ". . . in only one year out of ten were segmental recommendations fully implemented." Moreover, for the current year and for 1970-71 and 1971-72, despite the results of the comparison survey, the range adjustment was zero.

President Saxon also discussed the effects of inflation on University faculty, stating that the ability of the University to compete for outstanding individuals has been seriously eroded and that it would be difficult to maintain the quality of the institution unless there were substantial salary increases at all ranks. This situation is discussed further starting on page 6 of this report.

For the 1979-80 fiscal year, the Regents requested a range adjustment of 16.0 percent, as well as an adjustment in current-year salaries retroactive to October 1, 1978. The amount of that adjustment has not been specified but, if approved, will be deducted from the 16.0 percent increase proposed for 1979-80. Given President Carter's standards, which appear to propose a limit of 7.0 percent on wage increases, any retroactive increase would probably be limited to that amount.

The components of the proposed 16.0 percent increase for University faculty are as follows:

Parity lag resulting from the survey of comparison institutions <sup>8</sup>	13.42%
Additional amount needed to cover inflation for Assistant Professors	0.24
Additional amount needed to recoup some inflation for all ranks	<u>2.34</u>
Total	16.00%

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7. Regents of the University of California Agenda, Item 505, p. 2, November 16, 1978.

8. Due to developments which occurred after the Regents approved the 13.42 percent figure, it should be changed to 12.15 percent. This is discussed further on pp. 17-18 of this report.

## California State University and Colleges

The State University Trustees met on November 28 and 29, 1978, and approved a faculty salary increase of 14.4 percent for 1979-80. This figure includes an 8.0 percent increase to equal the current estimated rate of inflation,<sup>9</sup> plus a 6.4 percent increase which the Chancellor's Office estimates is equal to one-fourth of the erosion in purchasing power experienced by State University faculty over the past ten years (1969-70 through 1978-79). In addition, the Trustees approved a resolution requesting a 7.0 percent increase retroactive to October 1, 1978. If this increase is granted, the 14.4 percent request will be adjusted downward.

It should be noted that the State University has not employed the Commission's comparison methodology in any way in developing its request for faculty salary increases for 1979-80; rather, it has adopted an approach that is totally dependent on changes in the United States Consumer Price Index (CPI). In this respect, the Trustees' approach is markedly different from that employed by the University Regents.

This is the second year that the State University has based its requests for faculty salary increases on changes in the cost of living. Last year, the Trustees offered several criticisms of the comparison methodology and called for a thorough reexamination of SCR 51. This year, the Commission's report and methodology were not mentioned in the written presentation to the Trustees, but it is clear that the Trustees no longer support the comparison approach in determining appropriate salary levels.

### FACULTY SALARIES AND ECONOMIC CONDITIONS

The public four-year segments, particularly the State University, have increasingly maintained that the use of comparison institution data does not provide an adequate picture of the true economic status of the academic profession. Both have argued that additional factors, primarily changes in the CPI, should also be considered.

Table 2 shows a composite of segmental requests, reports from the Coordinating Council and the Commission, amounts approved by the Governor and the Legislature, and changes in the CPI for the ten-year period beginning with the 1969-70 fiscal year. It provides a useful perspective on the changes in the economic status of faculty members.

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9. That inflation rate has been updated to 9.0 percent for Fiscal 1978-79. See Table 2.

TABLE 2

SALARY INCREASES FOR FACULTY REQUESTED BY THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND  
COLLEGES, INCREASES REQUIRED TO ATTAIN PARITY WITH  
COMPARISON INSTITUTIONS, SALARY INCREASES GRANTED  
BY THE GOVERNOR AND THE LEGISLATURE, AND CHANGES  
IN THE UNITED STATES CONSUMER PRICE INDEX  
1969-70 THROUGH 1978-79

Year	Segmental Requests		CCHE/CPEC Reports		Increases Granted		Percentage Changes in the Consumer Price Index
	UC	CSUC	UC	CSUC	UC	CSUC	
1969-70	5.2%	5.2%	5.2%	5.2%	5.0%	5.0%	5.9%
1970-71	7.2	7.0	7.2	7.0	0.0	0.0	5.2
1971-72	11.2	13.0	11.2	13.0	0.0	0.0	3.6
1972-73	13.2	13.0	13.1	13.0	9.0	8.9	4.0
1973-74	5.4	7.5	6.4	8.8	5.4	7.5	9.0
1974-75	4.7	5.5	4.5	4.2	4.5	5.5	11.1
1975-76	10.8	10.4	11.0	9.7	6.7	6.7	7.1
1976-77	4.6	7.2	4.6	4.6	4.3	4.3	5.8
1977-78	6.8	8.5	6.8	5.3	5.0	5.0	6.7
1978-79	<u>9.3</u>	<u>9.9</u>	<u>8.0</u>	<u>3.3</u>	<u>0.0</u>	<u>0.0</u>	<u>9.0</u>
Totals*					47.3%	51.5%	91.6%
Average					4.0%	4.3%	6.7%

\*Compounded.



Several comments need to be made relative to the figures in this table. First, totals for "Segmental Requests" and for "CCHE/CPEC Reports" are not shown since they would only be misleading. The reason for this is that the amounts granted in any one year affect the requests for subsequent years. In other words, if a 7.2 percent increase had actually been granted to University of California faculty in 1970-71, rather than no increase, the University's request and the amount reported by the Coordinating Council for 1971-72 would have been much less than the 11.2 percent figure shown. Accordingly, totals for these columns have little meaning. Secondly, the totals shown for the "Increases Granted" and "Percentage Changes in the Consumer Price Index" columns are not directly comparable to the "Average" figures shown directly beneath them. For example, although the average annual increase in the CPI for the ten-year period shown was 6.7 percent, the total increase for the same period was 91.6 percent. Similarly, the total noted for increases granted is less than the average multiplied by ten. The reason for this is that the "Totals" have been compounded for each year of increase to more accurately reflect what actually occurred over the period of time involved.

What these data show is that over the past ten years, the amount requested by the segments has been granted once for the University and twice for the State University, although it has been close in two other years. The advice of the Coordinating Council and the Commission was adopted by the Governor and the Legislature for the University in only one year and never for the State University, but was close for both segments in four others. A comparison of the actual increases granted with the CPI shows that the University and State University faculty have lost 44.3 and 40.1 percent in purchasing power, respectively, compared to the ten-year increase in the cost of living.

Another way of looking at the problem is to compare actual salaries paid to faculty in 1968-69 with those they are paid today. In doing so, however, it is extremely important to make a distinction between changes in salary ranges and changes in average salaries (the all-ranks average). The example below illustrates the point:

<u>Example A</u>			<u>Example B</u>		
<u>Professor</u>	<u>Salary</u>	<u>Number of Faculty</u>	<u>Professor</u>	<u>Salary</u>	<u>Number of Faculty</u>
Step 1	\$23,000	100		\$23,000	500
Step 2	24,000	200		24,000	400
Step 3	25,000	300		25,000	300
Step 4	26,000	400		26,000	200
Step 5	27,000	500		27,000	100

The average salary for professors in Example A is \$25,666 while that for Example B is \$24,333 in spite of the fact that the salary range and the number of total faculty at the rank of professor is the same in both examples. Thus, comparing salaries from year to year can be hazardous, and the problem increases in complexity when one is dealing with an all-ranks average covering several faculty ranks rather than a single rank, as in the example given above.

The only way to present an accurate picture of how salaries have actually changed is to use the identical staffing pattern for all years under consideration. This technique has been used by the Commission in this report and is equally applicable to comparing faculty salaries at California institutions with institutions in other states. This is explained more fully in Appendix H which discusses the comments of the Legislative Analyst.

Table 3 below shows the average salaries, by rank, for both the University and the State University for 1968-69 and for 1978-79.

TABLE 3

RANK-BY-RANK SALARIES FOR THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1968-69 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1968-69	\$19,680	\$13,365	\$10,618	N/A
1978-79	29,630	20,533	16,964	N/A
California State University and Colleges				
1968-69	\$17,020	\$12,732	\$10,481	\$ 9,097
1978-79	26,399	20,324	16,668	14,509

In the ten-year period covered, the staffing patterns have changed dramatically, with a far greater number of faculty in the higher ranks. Although precise figures are not available for 1968-69 due to changes in the method of computing total faculty, those for 1972-73 to the present are shown below.

TABLE 4

STAFFING PATTERNS AT THE UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1972-73 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1972-73	2,123 (45.9%)	1,079 (23.3%)	1,422 (30.8%)	N/A
1978-79	2,594 (55.7%)	1,131 (24.3%)	931 (20.0%)	N/A
California State University and Colleges				
1972-73	3,727 (33.2%)	3,271 (29.1%)	3,991 (35.5%)	242 (2.2%)
1978-79	5,489 (48.3%)	3,438 (30.2%)	2,221 (19.5%)	218 (1.8%)

What Table 4 illustrates is that both segments are maturing, with a greater number of faculty members at the professor rank and fewer at the assistant professor rank. When the all-ranks averages are computed, the average salary paid would inevitably rise, even if no salary increases had been granted, since more people are located in the higher salary ranges.

The only way to provide a true picture of the effect of salary increases granted by the Governor and the Legislature is to apply the same staffing pattern to both sets of rank-by-rank averages. In the case at hand, the 1978-79 staffing pattern has been chosen.

TABLE 5

A COMPARISON OF ALL-RANKS AVERAGES FOR THE  
UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
USING RANK-BY-RANK AVERAGES FOR 1968-69 AND 1978-79  
AND THE STAFFING PATTERN FOR 1978-79

<u>Segment</u>	<u>1968-69</u>	<u>1978-79</u>	<u>Difference</u>
University of California	\$16,334	\$24,888	+52.4%
California State University and Colleges	\$14,293	\$22,432	+56.9%

In comparing the percentage differences noted above with the total increases granted (Table 2), there is approximately a 5 percent difference for each segment, an amount that is probably accounted for in terms of differences in the number of faculty at each step within the ranks involved. From an examination of the two tables together, however, it is fair to state that the loss of purchasing power since 1968-69 has been approximately 40 to 45 percent for the University and 35 to 40 percent for the State University. The fact that parity figures for both segments are considerably less than these amounts is a reflection of the loss of purchasing power in higher education generally.

In last year's salary report, Commission staff discussed the possibility of amending SCR 51 to include direct consideration of changes in the cost of living. The issue was stated in the following terms:

Should faculty salaries be based solely on the criterion of "equity" for the faculty member who has clearly lost economic ground in terms of inflation or should it be based on the State's legitimate interest in maintaining only a competitive balance with comparison institutions? If the "equity" argument is accepted, the State should adopt most or all of the salary increases recommended by the segmental governing boards since they have demonstrated that their faculties have not kept pace with prevailing economic conditions. If "competition" is to be the primary or sole criterion, as it has been for twelve years, the increases indicated by the data in this report should be adopted. If a compromise is desired, the Legislature and the Governor may wish to select a figure somewhere between the two.

The Commission believes that the spirit as well as the letter of SCR 51 dictates a continuation, in this report, of the past practice of presenting data from the respective comparison institutions and reporting the increases derived from that data. Not only is this valuable in maintaining a historical perspective, it is also consistent with the present understanding of legislative intent. If that understanding is inconsistent with the present philosophy of the Legislature, then it appears reasonable to ask that a new concurrent resolution be approved which will guide the Commission in future reports.<sup>10</sup>

10. Final Annual Report of Faculty Salaries and Cost of Fringe Benefits at the University of California and the California State University and Colleges: 1978-79, CPEC Agenda, April 10, 1978, p. 9.

Without question, both the University and the State University have been dissatisfied in recent years with the amounts that have been appropriated for faculty salary increases. The fact that each segment has lost substantial ground in comparison to the cost of living makes this entirely understandable, for it makes recruiting of outstanding faculty members more difficult and is detrimental to morale. But it is important to remember that in a climate of economic austerity no methodology, whether based on a comparison approach or a formula designed to reflect inflationary trends, will generate salary increases that are satisfactory to the groups receiving them. At the present time, it may appear advantageous to use an approach geared to the CPI, but it is also a fact that this technique had no advocates during the years of low inflation in the early and mid-1960s, when the results of the comparison surveys dictated salary increases greater than the average annual increase in the cost of living. If that situation should return--if the demand for faculty members should again exceed the supply and push salaries up at accelerated rates--few could doubt that the present arguments for a CPI-based salary methodology would quickly evaporate.

The probable reason why the comparison methodology has survived this long is that it actually incorporates more than mere comparisons with other institutions. Virtually all postsecondary institutions use some form of comparison method to determine the appropriate levels of compensation their faculties receive. For example, the eight institutions currently used for comparison purposes by the University each have their own comparison institutions, and those institutions use still others. Many of these colleges and universities relate their salary-setting policies directly to the cost of living, some use a comparison approach, and others use both. Virtually all of them are aware of inflation, just as are the California institutions. If one or more institutions used for comparison purposes by the California segments adjust their salaries on the basis of inflation, the parity figures employed here will be affected. In this way, the methodology used in this report will always be more comprehensive than a simple adjustment for changes in the CPI.

### Federal Wage and Price Standards

On October 24, 1978, President Carter announced his anti-inflation program in response to what he termed the "nation's most serious economic problem." In a white paper on the subject, the Council on Wage and Price Stability noted that earlier efforts to control inflation had not been successful and that a more comprehensive program is necessary.

Earlier this year, the President outlined the framework of a voluntary program that required the cooperation of government, business and labor. This program was designed to break the momentum of wage/price increases in the private sector

and to reduce government's contribution to inflation. Simultaneously, the federal budget deficit for Fiscal 1979 was reduced by some \$20 billion. These efforts have not been enough; stronger measures are required. Thus, the President has now acted:

- to intensify the anti-inflation efforts of government by
  - adopting a stringent budget policy that will create an overall climate in which the inflationary process can unwind,
  - establishing procedures that minimize the inflationary impact of government regulations, and
  - indicating his intention to veto legislative measures and other actions of government that provide benefits to narrow special-interest groups;
- to break the upward spiral of costs and prices by
  - enunciating explicit numerical standards for noninflationary wage and price increases, and
  - making clear his intention to use his administrative powers to support adherence to those standards in individual situations.<sup>11</sup>

The white paper goes on to describe the actions to be taken by the federal government to control inflation. Included among them is a goal of reducing the federal deficit and holding federal spending each year to a total of 21 percent of the Gross National Product. Obviously, these goals will be difficult to meet, and the white paper describes numerous actions to be taken to accomplish them. Some of these actions directly involve federal government employees:

In order to contribute to these goals, the President has imposed severe limits on hiring of Federal employees for an indefinite period. Effective immediately, Federal agencies may fill only one out of two vacancies as they occur. This step will reduce the number of Federal employees budgeted for this fiscal year by about 20,000. In July, the President announced a 5.5 percent limitation on Federal employee pay raises and a freeze on Federal executive pay levels.<sup>12</sup>

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11. Fact Book: Wage and Price Standards, Council on Wage and Price Stability, p. 3, October 31, 1978.

12. Ibid.

In its preliminary report on 1979-80 faculty salaries, Commission staff indicated that there was considerable uncertainty as to the exact meaning and applicability of the wage and price standards. It was noted that the regulations obtained from the Council on Wage and Price Stability seemed to relate only to the private sector and that the Council had not yet developed regulations for governmental entities, including higher education faculty. Since then, these ambiguities have been resolved.

On Monday, February 5, 1979, Commission staff attended a conference on the standards in Oakland, sponsored by the University of California's Institute of Industrial Relations at Berkeley. In attendance were Robert Russell, the Deputy Director of the Council on Wage and Price Stability; Robert J. Flanagan, Senior Staff Economist of the Council of Economic Advisors; Clark Kerr, former Director of the Institute (as well as former President of the University); and a number of others representing business, labor, the legal profession, and government. From the presentations made and the ensuing discussions, the following was made clear:

1. The wage and price standards definitely apply to government agencies at all levels, including all colleges and universities.
2. Within any given federal fiscal year (October 1 to September 30), salary and benefit increases granted to employee groups (including State employees and faculty members) may not exceed 7 percent.
3. Merit salary adjustments are included within the 7 percent limit and must be accounted for on a group basis. The standards do not apply to individuals; once a percentage amount for the group is factored in, an individual may receive both the salary increase and the merit increase, even though the combination of the two is greater than 7 percent. Also, salary increases resulting from promotions do not fall within the 7 percent limitation.
4. Any increases in fringe benefits must be accounted for within the 7 percent limit.

What this means for those employees covered by this report, as well as for all State employees in general, is that California is really working with two fiscal years, the period between July 1 and September 30 and the period between October 1 and June 30. Accordingly, and since State employees received no salary adjustments during the current California fiscal year, it would be possible for the Legislature to appropriate funds in a number of ways:

1. An increase not to exceed 7 percent retroactive to October 1, 1978, and another increase of 7 percent beginning October 1,

1979. The latter increase would have to commence on October 1 and not July 1, since the July 1 date would generate a 14 percent increase for the last quarter of the federal fiscal year. Also, the 7 percent figure would have to be adjusted to account for fringe benefits and merit increases.

2. No retroactive increase but two increases within the California fiscal year, the first running from July 1 to September 30 and the second from October 1 to June 30, 1980. Each increase could be for 7 percent, adjusted downward for fringe benefit and merit increases.
3. A 7 percent increase for the California fiscal year 1979-80. This increase would probably not have to be adjusted for merit increases since it would bridge two federal fiscal years where 14 percent is allowable.

Two bills have been introduced in the Senate which adopt one or another of these approaches. The first is SB 91 (Alquist) which provides for an increase of 5 percent from the date the bill is signed to the end of the 1978-79 fiscal year, a retroactive increase in the same amount to October 1, 1978, and a 7 percent salary increase for the 1979-80 fiscal year. The bill applies to all State employees, including University and State University faculty.

The second bill is SB 575 (Paul Carpenter) and provides for a 7 percent salary increase from July 1, 1979 to September 30, 1979 and another 7 percent increase from October 1, 1979 to June 30, 1980. This bill applies only to University and State University faculty.

As the standards now read, the Carpenter bill is in compliance but the Alquist bill is not. To be in compliance the Alquist bill would have to be amended to make the 1979-80 increase effective on October 1, 1979.

#### PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON GROUP PROJECTIONS

The projected 1979-80 salaries for faculty at the University of California and the California State University and Colleges are shown in Table 6. (See Appendices E and F for the computation of these figures as well as those for the cost of fringe benefits.)



TABLE 6

ALL-RANKS AVERAGE SALARY REQUIRED AT THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY  
AND COLLEGES TO EQUAL THE COMPARISON  
INSTITUTION PROJECTIONS FOR 1979-80

<u>Institution</u>	<u>Salaries in 1978-79</u>	<u>Comparison Institution Salary Levels Projected for 1979-80</u>	<u>Projected Percentage Increase Required: 1979-80</u>
University of California	\$25,337	\$28,538	12.64%
California State University and Colleges	\$22,401	\$24,663	10.10%

There are two major differences in the segmental computations. The University, in deriving its figures for the all-ranks average in its comparison institutions, uses what is known as the "average of averages" approach. This method involves the computation of an average salary, by rank, for each of its comparison institutions. Each of these average salaries is then added to produce a total, which is then divided by the number of comparison institutions to produce an average for the group. The State University, on the other hand, divides the total amount of money paid to all faculty at each rank by the total number of faculty at that rank in all of its comparison institutions combined. An average salary for each rank is thereby obtained and used as a mean for all faculty at that rank. These methods produce a system where each of the eight University comparison institutions has equal weight, regardless of size, while those for the State University are differentially weighted, with the larger institutions having a greater effect on the average than the smaller institutions.

A further word of explanation on this difference in methodology seems appropriate. The University argues that it competes directly for faculty with its comparison institutions, as well as with other institutions of like quality and mission. For this reason, that segment considers it more appropriate to compare rank-by-rank average salaries with institutional ranks. Conversely, the State University believes that a more accurate average can be obtained by using the mean of all salaries paid at each rank. The fact that this tends to make the larger institutions more important in determining the average is also considered appropriate, since more faculty are exchanged between the State University and those institutions than with the smaller ones.

The Commission has periodically examined this difference in approach and concluded that there is no compelling reason for favoring one over the other. For this reason, and because the resulting computations produce only minor differences in the projections, it was decided to allow each segment to use the procedure it prefers.

The second difference in the methodology utilized by the segments is that the staffing pattern for the University is now projected into the 1979-80 budget year while that for the State University is the actual pattern for the 1978-79 year.

The 1979-80 budget cycle is the second year that the University of California has projected its staffing pattern into the budget year. In the Commission's preliminary report, it was noted that the University's projections for 1978-79 were inaccurate to a significant extent and that the projections for 1979-80 seemed to continue that level of inaccuracy.

Table 7 shows the 1978-79 projections together with the estimate used for the preliminary report:

TABLE 7  
PROJECTED AND PRELIMINARY REPORT ESTIMATES FOR THE NUMBER  
OF FACULTY AT EACH RANK AT THE UNIVERSITY  
OF CALIFORNIA, 1978-79

<u>Rank</u>	<u>Projection</u>	<u>Preliminary Report Estimate</u>	<u>Percentage Difference</u>
Professor	2,835.00	2,593.56	-8.5%
Associate Professor	971.55	1,131.38	+16.45
Assistant professor	865.89	931.24	+7.55
Total	4,672.44	4,656.18	-0.35

This table shows that while the estimate for the total number of faculty to be employed in the budget year was quite accurate (0.35%), the rank-by-rank projections were not. Nevertheless, this error would not have had a dramatic effect on the overall percentage increase in salaries indicated by the methodology, since the rank-by-rank averages for both the comparison group and the University were weighted by the same staffing pattern. Thus, while the percentage indicated in the final report (1978) was 7.96 percent using the projected pattern, it would have been 7.82 percent if the actual figures had been available at that time, a difference of only 0.14 percent.

The error in question came to the attention of both the University administration and Commission staff at approximately the same time and extensive discussions were held in an attempt to resolve the problem. Commission staff has long believed that a projection of the staffing pattern is preferable to the use of a prior-year pattern or even a current-year estimated pattern, since it eliminates the need for artificial adjustments in the figures to reflect such factors as merit increases and promotions. Obviously, however, the projections must be accurate to be useful and, at that time, the requisite accuracy was missing.

The staffing pattern projection originally developed by the University for the 1979-80 fiscal year showed a distribution of faculty among the three ranks similar to that projected for 1978-79. This distribution produced a parity need of 13.42 percent, the amount approved by the Regents in October before the errors were discovered. Subsequently, the University proposed a modification of the projections, a modification that was used for the preliminary report. The changes were outlined in a letter from Vice President Kleingartner to Director Callan (Appendix I).

It should be mentioned that the process of predicting a staffing pattern involves the consideration of four variables: (1) estimates of the number of new appointments; (2) the number of separations (retirements, resignations, leaves of absence, and deaths); (3) the number of promotions; and (4) the number of merit increases that will be granted. Some of these factors affect the average salary at each rank, some affect the number of people at each rank, and some affect both. An error in any one of them will affect the overall percentage figures indicated for parity.

In order to adjust the staffing pattern to reflect more accurately the experience of prior years, the University assumed the same level of merit increases and promotions that had been in evidence in prior years, rather than attempt to make a detailed prediction. For this final report, however, that prediction has been refined, with the result that the staffing pattern projection for 1979-80 has been revised slightly from the preliminary report. Table 8 shows the staffing patterns for the University since 1972-73, together with three projections for the 1979-80 fiscal year: (1) the original projection for the preliminary report; (2) the revised projection for the preliminary report, which excludes specific projections of merit increases and promotions; and (3) the projection for the final report. It should be noted that the revised projection for the preliminary report and the new projection contained in this final report are consistent with the trends of previous years.

TABLE 8  
UNIVERSITY OF CALIFORNIA STAFFING PATTERNS,  
1972-73 THROUGH 1979-80

<u>Year</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Total</u>
1972-73	2,120.00	1,079.00	1,422.00	4,621.00
1973-74	2,210.00	1,096.00	1,339.00	4,645.00
1974-75	2,295.00	1,126.00	1,223.00	4,644.00
1975-76	2,392.00	1,156.00	1,181.00	4,729.00
1976-77	2,492.00	1,230.00	1,125.00	4,847.00
1977-78	2,501.98	1,141.47	965.74	4,609.19
1978-79	2,593.56	1,131.38	931.24	4,656.18
1979-80				
Original Fall Projection	2,978.63	915.26	836.91	4,730.80
Amended Fall Projection	2,557.66	1,141.88	1,031.26	4,730.80
Spring Projection	2,706.91	1,086.55	937.34	4,730.80

#### Accuracy of the Comparison Institutions' Projections

From time to time, questions have arisen concerning the accuracy of the projections of salaries to be paid by the comparison institutions in the forthcoming budget year. As noted previously, the preliminary report involves the projection of comparison institution salaries at each rank for a two-year period. When updated information is obtained from these institutions in the spring, the projection is made again, but only for one year. For this report, comparison institution data is available for the 1978-79 fiscal year and is projected forward one year, to 1979-80. In the preliminary report, data for the 1977-78 year was used and the projection made for two years, to 1979-80.

Table 9 shows the history of these projections from 1972-73 to 1978-79. These years were chosen since the lists of comparison institutions remained constant for the entire period.

What these figures show is that the projections for the comparison institutions have been remarkably accurate over the years, especially in the final report, when updated information from the comparison institutions is available. Additionally, these data do not

TABLE 9

COMMISSION PROJECTIONS OF UNIVERSITY OF CALIFORNIA AND CALIFORNIA  
STATE UNIVERSITY AND COLLEGES' COMPARISON INSTITUTION  
FACULTY SALARIES WITH ACTUAL SALARIES RECEIVED  
1972-73 THROUGH 1977-78

Year	<u>UC Comparison Group Salaries</u>			<u>% Actual Higher Than Projection</u>		<u>CSUC Comparison Group Salaries</u>			<u>% Actual Higher Than Projection</u>	
	<u>Fall Projection</u>	<u>Spring Projection</u>	<u>Actual Salaries</u>	<u>Fall</u>	<u>Spring</u>	<u>Fall Projection</u>	<u>Spring Projection</u>	<u>Actual Salaries</u>	<u>Fall</u>	<u>Spring</u>
<u>Professors</u>										
1972-73	\$24,191	\$23,292	\$23,243	-3.9%	-0.2%	\$20,492	\$20,023	\$20,001	-2.4%	-0.1%
1973-74	24,333	24,296	24,482	+0.6	+0.8	21,693	21,049	20,978	-3.3	-0.3
1974-75	24,679	25,596	25,863	+4.8	+1.0	22,195	21,979	22,053	-0.6	+0.3
1975-76	26,761	27,040	27,586	+3.1	+2.0	23,027	23,067	23,937	+4.0	+3.8
1976-77	28,275	29,115	28,828	+2.0	-1.0	24,103	25,286	25,171	+4.4	-0.5
1977-78	31,032	30,365	30,386	-2.1	+0.1	26,713	26,510	26,121	-2.2	-1.5
1978-79	31,983	32,059	32,383	+1.2	+1.0	27,920	27,537	27,813	-0.4	+1.0
Cumulative Error <sup>1</sup>				+0.81	+0.53				-0.07	+0.34
Mean Predictive Error <sup>2</sup>				+2.53	+0.87				+2.47	+1.07
<u>Associate Professors</u>										
1972-73	\$16,652	\$16,204	\$16,439	-1.3%	+1.5%	\$15,960	\$15,425	\$15,385	-3.6%	-0.3%
1973-74	16,945	17,218	17,004	+0.3	-1.2	16,558	16,182	16,115	-2.7	-0.4
1974-75	17,839	17,756	17,876	+0.2	+0.7	17,000	16,889	17,077	+0.5	+1.1
1975-76	18,540	18,570	18,829	+1.6	+0.9	17,699	17,881	18,330	+3.6	+2.5
1976-77	19,499	19,672	19,524	+0.1	-1.3	18,558	19,294	19,024	+2.5	-1.4
1977-78	20,971	20,444	20,646	-1.5	+1.0	20,336	19,985	19,836	-2.5	-0.7
1978-79	21,406	21,609	21,943	+2.4	+1.5	20,994	20,941	21,227	+1.1	+1.3
Cumulative Error <sup>1</sup>				+0.26	+0.44				-0.16	+0.30
Mean Predictive Error <sup>2</sup>				+1.06	+1.16				+1.64	+1.10
<u>Assistant Professors</u>										
1972-73	\$13,313	\$12,999	\$12,895	-3.1%	-0.8%	\$12,873	\$12,680	\$12,652	-1.7%	-0.2%
1973-74	13,660	13,524	13,481	-1.3	-0.3	13,582	13,272	13,224	-2.6	-0.4
1974-75	14,271	14,119	14,032	-1.7	-0.6	13,897	13,840	13,941	+0.3	+0.7
1975-76	14,786	14,651	14,827	+0.3	+1.2	14,485	14,557	14,845	+2.5	+2.0
1976-77	15,297	15,530	15,509	+1.4	-0.1	15,119	15,586	15,371	+1.7	-1.4
1977-78	16,430	16,219	16,365	-0.4	+0.9	16,424	16,098	16,055	-2.2	-0.3
1978-79	16,962	17,164	17,447	+2.8	+1.6	16,859	16,842	17,058	+1.2	+1.3
Cumulative Error <sup>1</sup>				-0.29	+0.27				-0.11	+0.24
Mean Predictive Error <sup>2</sup>				+1.57	+0.79				+1.74	+0.90
Cumulative Error (All Ranks)				+0.26	+0.41				-0.11	+0.29
Mean Predictive Error (All Ranks)				+1.72	+0.94				+1.95	+1.02

1. The Cumulative Error is derived by adding the seven minus (-) and plus (+) values together and dividing by seven.
2. The Mean Predictive Error is derived by adding the numerical values (ignoring the pluses and minuses) and dividing by seven.

show that either the University or the State University has been scheduled to receive increases higher than it should have received had there been no error in the data at all. Of the seven years surveyed, the increase indicated for the University was less than would have been warranted in four cases (and more in three) in the preliminary report, and less than would have been warranted in five cases in the final report. For the State University, the indicated increases were less than deserved in four of the years in the preliminary report and less than deserved in three cases in the final report.

It can be concluded that the accuracy of the predictive mechanism in the salary reports has been proven over the years. It is also evident that the final spring reports tend to reduce the margin of error reported in the fall. Finally, it appears that the predictions of actual salaries to be paid by the University's comparison group are slightly more accurate in both the preliminary and final reports than those for the State University's comparison group. Both the segments and governmental authorities, however, may be assured that the percentage increases required to attain parity for both University and State University faculty, as reported in this final report, are accurate to within 1 percent or less.

#### PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1979-80 cost of fringe benefits at the University of California and the California State University and Colleges are shown in Table 10.

Fringe benefits for faculty consist of retirement, social security, unemployment insurance, workman's compensation, health insurance, life insurance, and disability insurance. The largest cost component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 10, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

There are, of course, many different kinds of retirement programs in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution (e.g., the University of California Retirement System--UCRS). In other cases, the program includes public agencies outside of postsecondary education (e.g., the Public

Employees Retirement System--PERS) which includes State University faculty and nonacademic employees along with most other State employees).

TABLE 10

ALL-RANKS AVERAGE COST OF FRINGE BENEFITS AT THE  
UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA  
STATE UNIVERSITY AND COLLEGES, REQUIRED  
TO EQUAL THE COMPARISON INSTITUTION  
PROJECTIONS FOR 1979-80

<u>Institution</u>	<u>Cost of Fringe Benefits in 1978-79</u>	<u>Comparison Institution Projected Cost of Fringe Benefits in 1979-80</u>	<u>Projected Percentage Increase Required: 1979-80</u>
University of California	\$5,948	\$4,817	-19.02% <sup>1</sup>
California State University and Colleges	\$5,543	\$4,065	-26.67% <sup>2</sup>

1. Adjusted for the effect of a 12.64% range adjustment.
2. Adjusted for the effect of a 10.10% range adjustment.

Because the payments to and the benefits from these fringe-benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he leaves for another employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

*These factors tend to limit the usefulness of the fringe benefit figures shown; for this reason, the Commission urges that these data be used with the utmost caution. This is especially true of the data for State University faculty, since they are members of PERS and must share both payments and benefits with thousands of other State employees.*

Such is the nature of cost comparisons for fringe benefits. At best, they are only very rough indicators of benefit levels; at worst, they are extremely misleading. Both the University and the State University have indicated this year that, regardless of the results of the comparison of their benefit packages to those of their comparison institutions, fringe benefits should correspond to those received by all other State employees. Given the inadequacies of the data in this area, this approach is probably the most equitable for both segments.

#### CONCLUSION

In concluding this discussion of faculty salaries and the cost of fringe benefits for the University of California and the California State University and Colleges, *it should be stated that all of the data indicate that the faculties in these segments are in a deficient economic position by any standard, criterion, or methodology that could be employed.* They are currently paid less than their counterparts at colleges and universities who perform similar functions, and have lost substantial ground in comparison to changes in the Consumer Price Index over the past ten years. Many years of experience have demonstrated that educational institutions are measured by the quality of their faculties and that the enviable reputation of California's institutions is largely due to the men and women who currently serve them. If that reputation and the educational quality it represents are to be maintained, a salary increase close to that suggested by the data in this report is certainly warranted.



## CHAPTER II

### CALIFORNIA COMMUNITY COLLEGES

The passage of Proposition 13 has so drastically changed the basic structure of Community College finance that a discussion of the subject of Community College faculty salaries now is imperative. With the State currently providing between 70 and 75 percent of the total State/local support for the Community Colleges, it appears appropriate to include Community College salaries in the annual reports on faculty salaries generally. This fact was recognized by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80, in which he recommended " . . . that the California Postsecondary Education Commission (CPEC) be directed to include community college salaries and benefits in its annual report on faculty salaries."

Although the Analyst's recommendation was not directed to the 1979-80 budget cycle, Commission staff felt that the legislative fiscal committees would be assisted by a preliminary analysis of the subject during the current budget hearings. Such an analysis will have the advantages of providing data immediately and indicating the type of data that will be needed for a complete analysis. Accordingly, the following sections address themselves to a comparison between each of the three segments, a comparison between the California Community Colleges and community colleges nationally, and a discussion of the deficiencies of the existing data. It should also be noted that all of the data are for 1977-78, the most recent year for which data are available and apply only to full-time Community College faculty.

#### ORGANIZATION AND DESCRIPTION OF COMMUNITY COLLEGE SALARY STRUCTURES

Both the University and the State University have long maintained statewide salary schedules; the Community Colleges have not. Obviously, this is due to the fact that the four-year segments have central governing boards while the Community Colleges are governed by local district boards. This fact of independent governance for the two-year segment has produced salary schedules which are extraordinarily complex and almost totally unlike those in use for the other public segments.

The University and the State University use a class and rank structure that is common throughout postsecondary education (Professor, Associate Professor, Assistant Professor, and Instructor); the Community Colleges use structures that trace their antecedents to the elementary and secondary schools. As a result, Community College salaries are based first on the number of units completed or on the level of degree achieved (bachelor's, master's, or doctorate), and secondly on years of experience. To illustrate the differences, the 1977-78 salary structures for each of the four-year segments are shown in Table 1, together with the salary structure for a representative Community College district for the same year.

TABLE 1

**FACULTY SALARY SCHEDULES FOR THE UNIVERSITY OF CALIFORNIA,  
THE CALIFORNIA STATE UNIVERSITY AND COLLEGES, AND  
THE GLENDALE COMMUNITY COLLEGE DISTRICT<sup>1</sup>  
1977 - 1978**

University of California		California State University and Colleges		California Community Colleges (Glendale Community College District)					
Instructor		Instructor		Step	BA I	BA+42 or MA II	BA+56+MA III	BA+70+MA IV	BA+84+MA or PhD V
Assistant Professor									
Step 1	\$12,800	Step 1	\$13,008	1	\$13,130	\$13,750	\$14,430	\$15,130	\$15,860
Step 2		Step 2	13,608	2	13,650	14,270	15,000	15,720	16,490
Step 3		Step 3	14,256	3	14,200	14,880	15,610	16,350	17,150
Step 4		Step 4	14,916	4	14,780	15,470	16,240	17,010	17,840
Step 5		Step 5	15,624	5	15,340	16,090	16,870	17,680	18,550
Step 6				6	15,960	16,730	17,540	18,390	19,280
Associate Professor		Assistant Professor		7	16,630	17,410	18,240	19,130	20,060
Step 1		Step 1	\$14,256	8	17,270	18,090	18,990	19,890	20,860
Step 2		Step 2	14,916	9	17,960	18,820	19,740	20,690	21,700
Step 3		Step 3	15,624	10	18,670	19,580	20,530	21,510	22,560
Step 4		Step 4	16,356	11	19,430	20,370	21,370	22,390	23,460
Step 5		Step 5	17,136	12	--	21,170	22,200	23,270	24,390
Step 6				13	--	--	23,090	24,220	25,390
Associate Professor		Associate Professor		20	--	--	--	--	26,040
Step 1	\$18,800	Step 1	\$17,940	27	--	--	--	--	26,690
Step 2		Step 2	18,792						
Step 3		Step 3	19,692						
Step 4		Step 4	20,628						
Step 5		Step 5	21,624						
Professor		Professor							
Step 1	\$22,600	Step 1	\$22,656						
Step 2		Step 2	23,748						
Step 3		Step 3	24,888						
Step 4		Step 4	26,088						
Step 5		Step 5	27,348						
Step 6									

<sup>1</sup> The Glendale Community College District was chosen since its mean salary was closest to the statewide Community College mean in 1977-78

Not only are the Community College schedules markedly different in type from those employed by the other segments, they are also quite different among themselves. Whereas the University and the State University use only four salary classifications (Professor, Associate Professor, Assistant Professor, and Instructor), the 70 Community College districts classify salary ranges in 119 different ways, the most common of which are shown below in Table 2.

TABLE 2  
THE THIRTY MOST COMMON SALARY CLASSIFICATIONS  
EMPLOYED BY THE CALIFORNIA COMMUNITY COLLEGES,  
AND THE NUMBER OF DISTRICTS USING EACH

<u>Classification</u>	<u>Number of Districts Using Classification</u>
Appropriate Credential	9
BA	41
BA+15	6
BA+24	3
BA+28	3
BA+30	12
Less than MA	3
BA+30 or MA	9
BA+45 or MA	6
BA+45 or MA+15	5
BA+45	5
MA	34
BA+45+MA	6
MA+15	7
MA+60+MA or MA+30	4
BA+60+MA	14
BA+70+MA	3
BA+72+MA	4
MA+75 or MA+45	4
MA+30	7
MA+75+MA or MA+45	4
MA+45	8
MA+75+MA	5
MA+48	3
BA+80+MA	3
BA+90 or MA+60	6
BA+90+MA or MA+60	3
BA+90+MA	4
MA+60	5
PhD	24

The tremendous diversity in salary structures is not limited to the classifications alone but is also apparent within individual classifications. As an example, Table 3 shows the salary steps for the seven districts that employ the MA+30 classification.

TABLE 3  
SALARY RANGES FOR THE SEVEN COMMUNITY COLLEGE DISTRICTS  
USING THE MA+30 SALARY CLASSIFICATION

<u>Step</u>	<u>District</u>						
	1	2	3	4	5	6	7
1	\$15,963	\$14,915	\$15,880	\$15,500	\$16,674	\$16,106	\$14,527
2	16,642	15,585	16,515	16,250	17,406	16,795	15,155
3	17,349	16,256	17,150	17,000	18,138	17,478	15,762
4	18,086	16,925	17,785	17,750	18,870	18,166	16,410
5	18,855	17,596	18,420	18,500	19,602	18,852	17,088
6	19,656	18,266	19,055	19,250	20,334	19,538	17,667
7	20,492	18,936	19,690	20,000	21,066	20,225	18,295
8	21,363	19,607	20,325	20,750	21,798	20,912	18,923
9	22,270	20,276	20,960	21,500	22,530	21,596	19,552
10	23,217	20,946	21,595	22,250	23,262	22,284	20,180
11	24,204	21,617	22,230	23,000	23,994	22,970	20,850
12	25,232	22,287	22,865	23,750	24,726	23,657	21,437
13	--	22,957	23,500	--	25,458	--	22,064
14	--	23,627	23,500	--	--	--	--
15	--	24,297	23,500	--	--	--	--
16	--	24,967	23,810	--	--	--	--
17	--	25,638	23,810	--	--	--	--
18	--	--	23,810	--	--	--	--
19	--	--	24,120	--	--	--	--
20	--	--	24,120	--	--	--	--
21	--	--	24,120	--	--	--	--
22	--	--	24,430	--	--	--	--

The difference between the lowest and highest first steps of these ranges is 14.8 percent, in spite of the fact that the qualifications for them are the same. Using the same two districts (Columns 2 and 5 in Table 3), that difference grows to 15.3 percent after ten years of service. Also, faculty in the higher paying district received an 8.0 percent salary increase for the 1977-78 academic year while those in the lower paying district received a 6.4 percent increase, thus widening the gap between them.

According to the Chancellor's Office of the California Community Colleges, the mean salary paid to Community College faculty members in 1977-78 was \$22,413.<sup>1</sup> This overall average, however, encompassed a wide range of differences among the various districts. Table 4 shows the mean salaries received by faculty members in the five highest- and five lowest-paying districts. All figures are weighted by the number of faculty receiving each salary.

TABLE 4  
HIGHEST AND LOWEST SALARIES PAID BY  
CALIFORNIA COMMUNITY COLLEGE DISTRICTS  
1977 - 1978

<u>District</u>	<u>Mean Salary</u>	<u>Number of Faculty in District</u>
<u>Highest</u>		
San Joaquin Delta CCD	\$24,657	193
San Mateo CCD	24,420	574
Contra Costa CCD	24,178	511
North Orange CCD	23,763	500
Saddleback CCD	23,748	143
<u>Lowest</u>		
Antelope Valley CCD	19,905	84
Fremont-Newark CCD	19,812	109
Cabrillo CCD	19,470	190
Lake Tahoe CCD	19,047	20
Palo Verde CCD	15,528	20

- 
1. Faculty Salaries Paid, 1977-78, Chancellor's Office, California Community Colleges, Report No. 3, February 1978.

The average number of faculty in the five highest-paying districts is 384.2. The average number of faculty in the five lowest-paying districts is 84.6. From this, it appears that district size may be a factor in salary structures.

Table 5 (page 30) shows a distribution of all mean salaries paid for the sixty-eight reporting districts and compares them with the all-ranks averages<sup>2</sup> for the University of California and the California State University and Colleges, all for the 1977-78 academic year.

The number of Community College faculty members within various salary ranges is indicated in Table 6 (page 31). The table shows, for example, that 20 percent of all faculty received salaries between \$25,001 and \$26,000 in 1977-78.

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2. "Mean Salaries" and "All Ranks Averages" are used interchangeably in this report. The difference in terminology is due to differences in segmental salary classifications.

TABLE 5  
 Distribution of Mean Salaries  
 for Faculty in the  
 California Community Colleges  
 1977-78

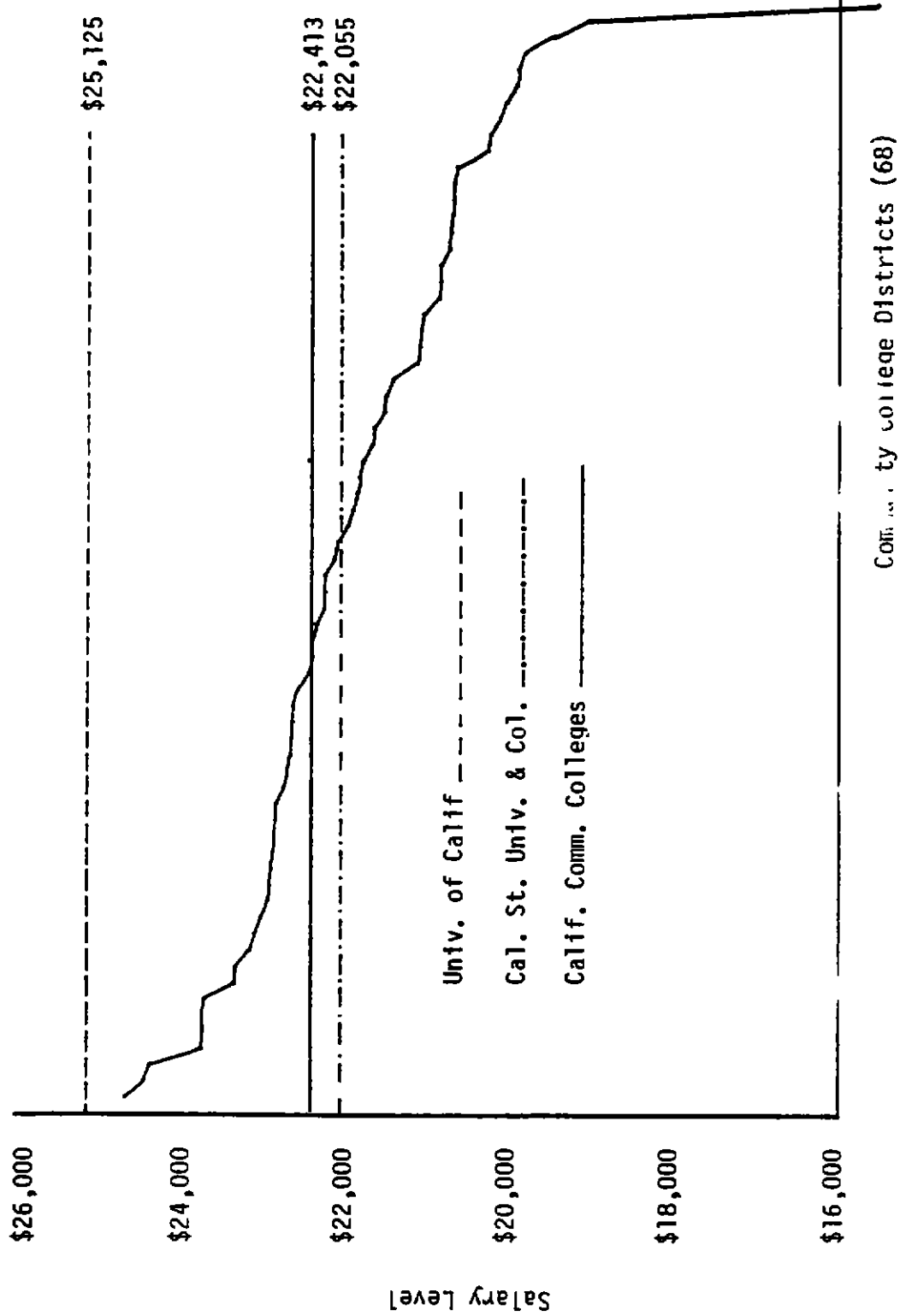
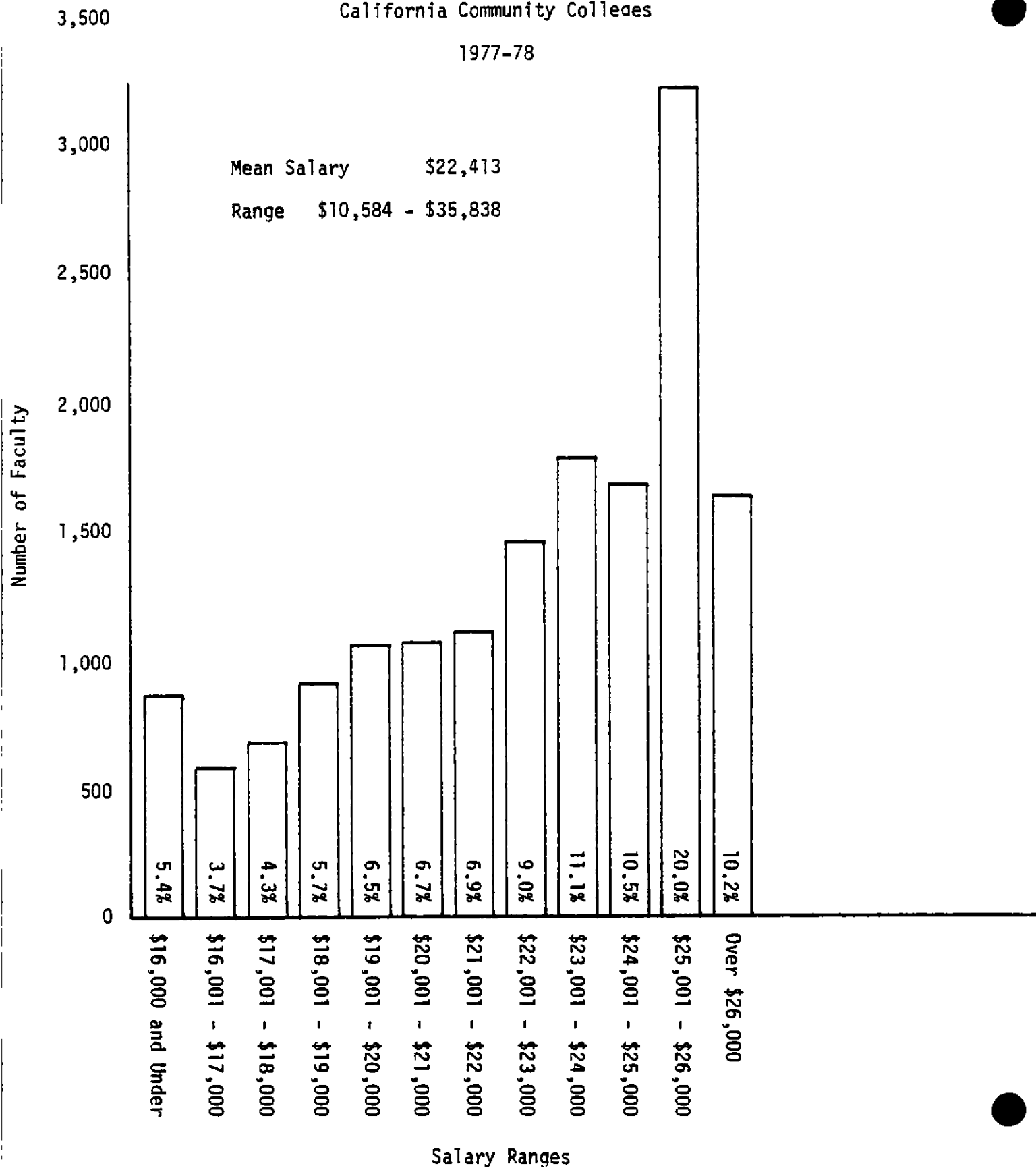


TABLE 6

Frequency Distribution for  
Faculty Salaries in the  
California Community Colleges  
1977-78





## COMPARISONS WITH THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

For many years, at least since the passage of SCR 51, the Legislature has been interested in deriving a single average figure for salaries paid to faculty at the University and the State University. This desire led to the computation of "all ranks averages" for both segments, a computational device that is produced by multiplying the number of faculty receiving certain salaries by those salaries and then dividing by the number of faculty. In the Community Colleges Chancellor's Office report<sup>3</sup>, the identical technique is used, thus permitting comparisons. For that year (1977-78) the respective mean salaries are as follows.

TABLE 7

### ALL-RANKS AVERAGES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND MEAN SALARY IN THE CALIFORNIA COMMUNITY COLLEGES 1977 - 1978

University of California	\$25,125
California State University and Colleges	\$22,055
California Community Colleges	\$22,413

What this table clearly shows is that the Community Colleges have now moved into second place in faculty salaries behind the University, and that the State University has fallen to third. In 1977-78, the University's average salary was 12.1 percent higher than the Community Colleges average and 13.9 percent higher than the State University average. The Community Colleges were 1.6 percent higher than the State University. Additionally, and though further research will be required to confirm this, it is probable that the Community Colleges are gaining relative to both of the other public segments. The average salary increase for the Community Colleges statewide in 1977-78 was 6.1 percent, while that for the two four-year segments was 5.0 percent. Further, the four-year segments received no salary increases for the current year (1978-79), while a recent decision of the California Supreme Court (*Sonoma County Organization v. County of Sonoma*) declared that the Legislature could not prohibit the granting of salary increases by local districts, including the Community Colleges. Given this, and assuming the Legislature does not grant retroactive salary increases to faculty in the four-year segments, it appears virtually certain that the relative standing of the Community Colleges will be improved further.

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3. Faculty Salaries Paid, 1977-78.

## COMPARISONS BETWEEN THE CALIFORNIA COMMUNITY COLLEGES AND COMMUNITY COLLEGES IN OTHER STATES

Additional perspectives may be gained by comparing California's Community Colleges with those in other states, a technique that has heretofore formed the primary basis for salary setting in California's four-year public segments.

According to the Legislative Analyst, " . . . a recent study by the American Association of University Professors [AAUP] indicates that salaries in the California Community Colleges are 27 percent above the average for two-year public institutions in the United States."<sup>4</sup> The AAUP report categorizes institutions in five different ways, depending on the type of institution involved. For example, Category III is for two-year institutions which use academic ranks, while Category IV is for two-year institutions which do not. Using the average salary paid by the California Community Colleges (\$22,413) compared to the national average for public community colleges in Category IV (\$17,630), the California Community Colleges are ahead by 27.1 percent, as indicated by the Analyst's report.

Unfortunately, this statistic is somewhat misleading since the California Community Colleges are part of the national average noted above (\$17,630). If their salaries were removed, the national average would be considerably lower, with the result that the difference between the two would be greater than the 27.1 percent figure indicated.

One way to confirm this is to use the AAUP's rating system for compensation levels (including fringe benefits in this case) for Category IV institutions. This system specifies five categories: the first represents those institutions falling in the top 5 percent in the nation; the second, those in the top 20 percent; the third, in the top 40 percent; the fourth, in the top 60 percent; and the fifth, all but the lowest 20 percent. Nationally, forty Category IV institutions are listed in the top 5 percent in the nation; thirty-nine of those are California Community Colleges. The only exception is the Merrill-Palmer Institute in Detroit, Michigan, which is not a community college but a two-year graduate institute for doctoral candidates. (Its placement in Category IV is the result of its having a two-year program rather than a traditional curriculum.)

Even this, however, does not present the complete picture, since a great many community colleges across the country are placed in Category III. While it would be helpful to include them with the Category IV institutions, this is impossible since the AAUP does not list compensation ratings for institutions in this category.

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4. AAUP Bulletin, "Report on the Annual Survey of Faculty Compensation, 1977-78," September 1978.

In an attempt to provide further clarity, it was decided to compare California with the next five most populous states in the nation, using both Category III and IV community colleges for comparison purposes and eliminating all other two-year institutions such as bible colleges, technical institutes, and graduate facilities. The results of this analysis are shown in Table 8 (page 34).

It might have been preferable to use mean salaries paid rather than the median indicated in Table 8, but such data were not reported by the AAUP. The fact that the salary for the California Community Colleges was shown as \$22,413 in Tables 5, 6, and 7, rather than the \$23,463 figure used in Table 8, is due to: (1) the difference between the median and the mean; and (2) the fact that the mean salary data were derived from the averages for the sixty-eight California districts rather than the averages for the ninety-five individual institutions nationally, as reported by the AAUP. In considering these four tables, the important thing is that the data be internally consistent between the California Community Colleges and the institutions with which they are compared. This consistency has been maintained in both Table 8 and those preceding it.

TABLE 8

COMPARISON OF MEDIAN SALARIES PAID IN THE  
CALIFORNIA COMMUNITY COLLEGES AND IN  
THE NEXT FIVE MOST POPULOUS STATES  
1977 - 1978

<u>State</u>	<u>Median Salary</u>	<u>Percentage Lead by California</u>	<u>Number of Institutions</u>	<u>Number of Faculty</u>
California	\$23,463	--	95	14,374
New York <sup>1</sup>	18,530	26.6%	41	4,830
Illinois	18,222	28.8	55	5,191
Ohio	17,177	36.6	23	1,211
Pennsylvania	16,581	41.5	21	1,767
Texas	14,929	57.2	37	5,543

Source: AAUP Bulletin, Vol. 64, No.3, September 1978.

1. The AAUP did not report data from the City University of New York's (CUNY) eight community colleges which have traditionally paid higher salaries than the national average. However, for the 1976-77 year, salaries were reported and averaged \$21,300 for eight colleges. The mean salary for the California Community Colleges in 1976-77 was \$20,838. Thus, it is certain that California's lead over New York was somewhat less than the 26.6 percent noted in the table.

The final table in this section shows the forty-two highest paying community colleges in the nation, the median salaries paid to faculty, and the number of faculty at each institution, for the 1977-78 fiscal year.

TABLE 9

COMMUNITY COLLEGES IN THE UNITED STATES  
PAYING THE HIGHEST FACULTY SALARIES<sup>1</sup>  
1977 - 1978

<u>Institution</u>	<u>State</u>	<u>Median Salary</u>	<u>Faculty Size</u>
1. Fullerton College	California	\$26,500	255
2. Diablo Valley College	"	26,400	247
3. Contra Costa College	"	26,200	135
4. Los Angeles Harbor College	"	25,800	175
5. Los Angeles Pierce College	"	25,700	302
6. San Joaquin Delta College	"	25,700	203
7. San Mateo, College of	"	25,500	229
8. Carritos College	"	25,400	268
9. Los Angeles Valley College	"	25,400	272
10. Cananda College	"	25,300	90
11. East Los Angeles College	"	25,300	201
12. Los Angeles Trade Technical	"	25,300	258
13. Los Angeles City College	"	25,100	300
14. Citrus College	"	24,700	117
15. Cypress College	"	24,700	195
16. Orange Coast College	"	24,700	326
17. Saddleback Community College	"	24,600	143
18. Monterey Peninsula College	"	24,400	107
19. Pasadena City College	"	24,400	343
20. Chabot College	"	24,200	250
21. El Camino College	"	24,100	363
22. Long Beach City College	"	24,000	275
23. West Valley College	"	24,000	260
24. Nassau Community College	New York	23,900	435
25. Westchester Community College	"	23,900	181
26. Evergreen Valley College	California	23,800	86
27. Shasta College	"	23,800	134
28. Bakersfield College	"	23,800	250
29. Henry Ford Community College	Michigan	23,700	208
30. Washtenaw Community College	"	23,700	119
31. Merritt College	California	23,700	151
32. Taft College	"	23,700	28
33. City College of San Francisco	"	23,600	450
34. College of the Siskiyous	"	23,600	46
35. Foothill College	"	23,600	135
36. Santa Barbara City College	"	23,600	154
37. Santa Rosa Junior College	"	23,500	182
38. Santa Monica College	"	23,500	194
39. Chaffey College	"	23,500	199
40. Golden West College	"	23,400	245
41. College of the Desert	"	23,400	106
42. Montgomery College	Maryland	23,400	73

Source: AAUP Bulletin, Vol. 63, No. 3, August 1977.

1. As with Table 8, figures for the eight community colleges of the City University of New York were not reported for 1977-78. However, in 1976-77, 38 California Community Colleges had higher mean salaries than the CUNY system as a whole. Taken individually the three highest ranking community colleges in the CUNY system would have ranked 17th, 24th, and 32nd.

Of the forty-two institutions listed, thirty-seven are in California, including the top twenty-three.

## DEFICIENCIES IN THE DATA

The Commission wishes to stress that this report on Community College faculty salaries is only preliminary, and that major refinements will have to be introduced before precise recommendations on appropriate salary levels for Community College faculty can be developed. There are several reasons for this caution.

The data published by the AAUP are not formulated in a way that permits direct dollar-for-dollar comparisons with the data published by the Community Colleges Chancellor's Office. While the Chancellor's Office uses weighted means for each of the districts, in much the same way that all-ranks averages are computed for the University and the State University, the AAUP lists only median salaries for individual institutions (in both Categories III and IV), with little explanation as to the exact procedures by which those medians were derived. Accordingly, it will be necessary to obtain information directly from a number of community colleges in other states before precise comparisons, in which it is possible to have any real confidence, can be derived. This will involve a process similar to the data collection efforts currently employed for California's four-year public segments.

In addition to these difficulties, the published report from the Chancellor's Office, although it has been extremely helpful in developing this report, could also be improved. While systemwide figures are published, two districts reported neither the number of faculty employed nor mean salaries. In addition, many districts listed salary bonuses for faculty with Master's and Doctorate degrees while others listed complete ranges for holders of these degrees. In some cases, it was difficult to determine if the bonuses were included in the salaries listed or should have been added, since no clarifying explanations were included. Further, although some districts listed a number of different salary classifications, all faculty were lumped into a single classification for reporting purposes. This made any determination of ranges impossible. Finally, several districts listed the ranges in a manner similar to that shown in Table 2, but failed to specify what educational qualifications were necessary for each range.

In spite of these deficiencies, the salary comparisons made are still useful in describing the general position of the Community Colleges relative to the University and the State University and to the two-year institutions in other states. The problem is one of establishing precision at a level comparable to that achieved for the four-year public segments in relation to their groups of comparison institutions.

## FINDINGS

In this preliminary review of faculty salaries in the California Community Colleges, several facts have been revealed:

1. For the 1977-78 fiscal year, the mean salary paid to faculty in the California Community Colleges exceeded the mean salary paid to faculty in the California State University and Colleges by \$358, or 1.6 percent.
2. For the 1977-78 fiscal year, the mean salary paid to faculty in the University of California exceeded the mean salary paid to faculty in the California Community Colleges by \$2,712, or 12.1 percent.
3. Given the absence of a salary-range adjustment for the University of California and the California State University and Colleges in the 1978-79 fiscal year, and the recent California Supreme Court decision permitting salary increases by local entities, including Community College districts, the gap between the Community Colleges and the State University has probably widened, while that with the University has probably narrowed.
4. Faculties in the California Community Colleges have a considerable salary advantage over other community colleges nationwide. According to the Bulletin of the American Association of University Professors, the twenty-three highest-paying community colleges in the nation are all in California.
5. In comparing the average salaries paid to California Community College faculty with community college faculty in other states, California (in 1977-78) led New York by 26.6 percent, Illinois by 28.8 percent, Ohio by 36.6 percent, Pennsylvania by 41.5 percent, and Texas by 57.2 percent. However, since the AAUP data did not include the City University of New York, which has eight community colleges and relatively high salary levels, it is probable that California's lead over New York is somewhat less than the 26.6 percent reported.
6. Within the California Community College system, there are considerable differences between districts in the average faculty salaries paid. The difference between the five highest paying districts and the five lowest paying districts is 24.3 percent.

## ADDENDUM

Two other items are new to the final report on faculty salaries for 1979-80. They are: (1) a report by the University of California on medical faculty salaries, and (2) a discussion of the Legislative Analyst's comments on faculty salaries in his Analysis of the Budget Bill, 1979-80.

Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill directed that:

The University of California shall report to the California Postsecondary Education Commission annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution, and (2) the number of compensation plan exceptions in effect at each UC school.

This report is included as Appendix G.

Appendix H contains Commission staff's analysis of the Legislative Analyst's comments on faculty salaries. Although the Analyst's discussion is extremely important to the subject of faculty salaries, both it and the staff response are of such a technical nature that it was decided to append it rather than extend an already lengthy text.



## APPENDICES

### FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

- A - Senate Concurrent Resolution No. 51, 1965 General Session
- B - House Resolution No. 250, 1964 First Extraordinary Session
- C - Methodology Employed by the California Postsecondary Education Commission for Preparation of the Annual Reports on University of California and California State University and Colleges Faculty Salaries and Cost of Fringe Benefits
- D - University of California and California State University and Colleges Comparison Institutions, 1966-67 - 1979-80
- E - University of California Salaries and Cost of Fringe Benefits, 1979-80
- F - California State University and Colleges Salaries and Cost of Fringe Benefits, 1979-80
- G - Report on Medical School Clinical Compensation Plans and Clinical Faculty Salaries, University of California and Comparison Institutions
- H - An Analysis of the Report by the Legislative Analyst
- I - Letter From Vice President Kleingartner to Director Callan
- J - University of California Supplementary Information
- K - California State University and Colleges Supplemental Information

**APPENDIX A**

**Senate Concurrent Resolution No. 51, 1965 General Session**

*Senate Concurrent Resolution No. 51, 1965 General Session--  
Relative to academic salaries and welfare benefits.*

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve cost implications to the state now, therefore, be it

*Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.*

APPENDIX B

House Resolution No. 250, 1964 First Extraordinary Session

House Resolution No. 250

Relative to the economic welfare of the faculties of the  
California Public Institutions of Higher Education

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued economic and cultural development of California may be seriously threatened; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF CALIFORNIA, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

**A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE  
ON FACULTY SALARIES AND OTHER BENEFITS  
AT THE UNIVERSITY OF CALIFORNIA AND  
THE CALIFORNIA STATE COLLEGES**

**(Pursuant to HR 250, 1964 First Extraordinary Session)**

*Prepared by the*  
**Office of the Legislative Analyst  
State of California**

**January 4, 1965**

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## INTRODUCTION

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)<sup>1</sup> which resolved:

"That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session."

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data,

<sup>1</sup> Appendices deleted.

3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964 a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964 hearing of the Joint Legislative Budget Committee and other sources have revealed significant findings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature.

## BACKGROUND

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Department of Finance.

ment of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the *Analysis of the Budget Bill* provides analysis and recommendations as to the Governor's budget proposal.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the California State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

#### **WHO SHOULD PREPARE FACULTY SALARY REPORTS**

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that Coordinating Council recommendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

#### **WHAT FACULTY SALARY REPORTS SHOULD CONTAIN**

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council for Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

- A. Faculty Data
- B Salary Data
- C Fringe Benefits
- D Total Compensation
- E. Special Privileges and Benefits
- F Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

##### **A. Faculty Data**

###### **1. Findings**

- a. Informative data about the size, composition, retention, and recruitment of California State College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.
- b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.

###### **2. Recommendations**

The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

- a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.
- b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have PhD's
- c. Student-faculty ratios as a means of expressing performance.
- d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.
- e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories; death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other.

### 3 Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions. The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new PhD's for example, California institutions hire every year

## B. Salary Data

### 1. Findings

- a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them
- b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appro-

priate institutions is the best single method of determining salary needs.

- c. The University of California places less significance on salary comparisons with non-academic employment than the Coordinating Council on Higher Education and the California State Colleges.
- d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.
- e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.
- f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.
- g. Methods of salary comparisons with other institutions have varied from year to year; reports prepared by the state colleges

### 2. Recommendations

- a. We recommend that proposed faculty salary increases distinguish between: (1) increase necessary to maintain the current competitive position and (2) increases to improve the current competitive position.
  - (1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix
  - (2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.
- b. It is also recommended that the California State College Trustees select a list of com-

comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.

- c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important

- (1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.
- (2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year historic trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from the highest to the lowest average, by rank, for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

- (3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

- d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

### C. Fringe Benefits

#### 1. Findings

- a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits

and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

- b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

#### 2. Recommendations

- a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from salaries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.
- b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

#### 3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstanding about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of a proposed salary increase for 1963-64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part, "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary *alone* look far more favorable than comparisons of salaries *plus benefits*." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, such data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

### D Total Compensation

#### 1. Findings

- a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.
- b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all

used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

## 2 Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information

## E. Special Privileges and Benefits

### 1. Findings

There are other faculty privileges and economic benefits which are not classified as fringe benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay

### 2 Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

### 3. Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

## F. Supplementary Income

### 1. Findings

a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside his college or University is recognized as a problem common to institutions of higher education throughout the United States.

b. There apparently are proportionately more private consulting opportunities in Califor-

nia than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963-64.

c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study titled *University Faculty Compensation Policies and Practices*.

d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported are follows

Source	Percent of faculty earning additional income from source
Lecturing	31%
General writing	28
Summer and extension teaching	25
Government consulting	18
Textbook writing	16
Private consulting	12
Public service and foundation consulting	9
Other professional activities	13

Source: *University Faculty Compensation Policies and Practices* by the U. S. Association of American Universities, University of Illinois Press, Urbana, 1956.

e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961-62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 8, 1964 from the staff of the California State College Trustees.

### OUTSIDE EARNINGS OF TEACHING FACULTY ON ACADEMIC YEAR CONTRACTS (9-10 MONTHS)

The U S Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961-62. The results are as follows:

	Percent	Average earnings
All with outside earnings.....	74	\$2,200
Summer teaching .....	44	1,300
Other summer employment.....	11	1,800
Other teaching .....	13	900
Royalties .....	8	1,200
Speeches .....	9	200
Consultant fees .....	17	1,400
Retirement (individuals who have retired who teach elsewhere after retiring).....	1	3,400
Research .....	7	1,800
Other professional earnings.....	10	1,300
Non-professional earnings .....	8	1,700

The highest average earnings by teaching field and the percentage with outside earnings are

	Percent	Average earnings
Law (which we do not have) .....	78	\$5,300
Engineering .....	83	3,200
Business and Commerce.....	73	2,900
Physical Sciences .....	80	2,900
Agriculture .....	71	2,800
Psychology .....	85	2,700

In light of the Joint Committee discussion you might be interested in the following

	Percent	Average earnings
Social Sciences .....	74	\$1,900
Fine Arts .....	74	1,800
Philosophy .....	74	1,500
Religion and Theology.....	73	1,300

## 2. Recommendations

- a. We recommend that the Coordinating Council for Higher Education, the University of California and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.) Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given

to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

- b. We also recommend that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.
- c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

## 3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University or colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.

## APPENDIX C

Methodology Employed by the California Postsecondary  
Education Commission for Preparation of the Annual  
Reports on University of California and California  
State University and Colleges Faculty Salaries and  
Cost of Fringe Benefits

June 13, 1977

Resolution 17-77

Concerning the Methodology Employed for the  
California Postsecondary Education Commission's  
Annual Reports on  
Faculty Salaries and Fringe Benefits

- WHEREAS, The University of California and the California State University and Colleges have expressed reservations with the methodology used for the California Postsecondary Education Commission's recent reports on faculty salaries and fringe benefits, particularly with respect to the computations for fringe benefits, and
- WHEREAS, Commission staff convened a technical advisory committee consisting of representatives of the segments, the Department of Finance, and the Office of the Legislative Analyst to advise on possible revisions of the existing methodology, and
- WHEREAS, The committee met on five occasions to thoroughly review and discuss the methodology for the reports on faculty salaries and fringe benefits, not only with respect to the computations for fringe benefits, but also regarding all other aspects of the methodology, and
- WHEREAS, Based on the advice of the committee, a revised methodology has been developed by Commission staff; now therefore, be it
- RESOLVED, That the California Postsecondary Education Commission adopt the attached document entitled, Revised Methodology for the Preparation of the Annual Report on University of California and California State University and Colleges Faculty Salaries and Fringe Benefits, 1978-79, which by reference becomes a part of this resolution, and be it further
- RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Department of Finance, the Office of the Legislative Analyst, the Regents of the University of California and the Trustees of the California State University and Colleges.



June 13, 1977

REVISED METHODOLOGY FOR THE PREPARATION OF THE ANNUAL REPORT ON  
UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES  
FACULTY SALARIES AND FRINGE BENEFITS, 1978-79

INTRODUCTION

The methodology to be employed for the 1978-79 report contains a number of substantive modifications from that adopted by the Commission in September, 1974 and used for the annual reports for 1975-76, 1976-77, and 1977-78.

In developing this new methodology, both the University of California and the California State University and Colleges conferred with a number of groups and individuals, including representatives of faculty organizations. Subsequently, each segment submitted proposals for changes in the existing methodology. These proposals were then considered by a technical advisory committee established by the Commission consisting not only of Commission staff and segmental representatives, but also of representatives of the Department of Finance and the Office of the Legislative Analyst.

In the past year, one aspect of the annual report on faculty salaries and fringe benefits was heavily criticized; namely, the treatment of the comparison of fringe benefits. This criticism centered on two major points. The first related to the recent practice of treating the cost of fringe benefits and the salary adjustments required to achieve parity as additive to produce a figure for "Total Equivalent Compensation" (TEC). This practice will be discontinued in subsequent years. The second criticism stemmed from the fact that the comparison method was limited to the employer cost of benefits (expressed as a percentage of payroll). Since there is, at best, only an indirect relationship between the value of fringe benefits to the employee and the cost of those benefits to the employer, the use of fringe benefit comparisons with other institutions can often be seriously misleading.

Although the basic difficulties with fringe benefit comparisons were noted in the report for the 1977-78 fiscal year, it is proposed that a much more definitive disclaimer be included in the text for the 1978-79 report. Clearly, a benefit package of given cost may be very different from another benefit package of the same cost when the two are defined and administered differently. By way of illustration, if the employer adds to a pension fund to improve its actuarial integrity, it increases the cost of the benefit package but does not result in any new or additional benefits.

The Commission will continue to show the results of the comparison survey regarding the cost of fringe benefits but will display it

separately from the salary data and will include a sufficiently detailed explanation of the issues so as to avoid misunderstanding or inappropriate use of the figures.

The second major change is the elimination of the "Cost of Living Adjustment for Salaries." For the past three years, an adjustment has been made in the projected salaries of the comparison institutions to account for changes in the rate of inflation. This adjustment has been widely misunderstood. It is not an escalator clause of the kind frequently found in collective bargaining agreements; it is an index only of changes in the rate of inflation and not a measure of inflation itself.

The other changes are essentially technical in nature. To date, all ranks average salary and fringe benefit projections have been made on the basis of prior year (for the preliminary report) and current year (for the final report) segmental staffing patterns. Since these elements of compensation are implemented in the budget year, it is desirable to establish a staffing pattern for that year. This will be done by the University of California for the 1978-79 report and by the California State University and Colleges beginning in 1979-80.

The final change will affect only the computation of fringe benefits for the California State University and Colleges. That system previously based its fringe benefit projections on the assumption that no salary increase would be granted. Because an increase in salary automatically increases applicable fringe benefits, a degree of distortion occurs. The University of California uses a system whereby a salary increase is computed first, the automatic increases in fringe benefits resulting from that increase accounted for, and the fringe benefits calculated after this accounting. The Commission believes the latter approach to be more reasonable and has therefore adopted it for both segments.

## METHODOLOGY

The procedures to be employed for the 1978-79 budget year and in subsequent years are as follows:

### A. NUMBER AND TIMING OF REPORTS

Two reports will be prepared each year. The first report, based on preliminary data, will be submitted to the Department of Finance in November. The final report, based on the most current data, will be submitted to the Legislative Budget Committee in April. In order to meet these submission dates, the University of California and the California State University and Colleges will forward data on comparison institutions and segmental faculty salaries to Commission

staff by mid-October for the preliminary report and by late February for the final report.

## B. PRINCIPLE OF PARITY

The report will indicate what adjustments would be needed for the forthcoming year for salaries and costs of fringe benefits for University of California and California State University and Colleges' faculty to achieve and maintain rank-by-rank parity with such salaries and costs of fringe benefits provided faculty in appropriate comparison institutions. A separate list of comparison institutions will be used by each of the California segments of higher education. The report will separate calculations and displays of data related to percentage increases required for parity in salaries from those related to fringe benefit costs.

## C. COMPARISON INSTITUTIONS<sup>1</sup>

Comparison institutions for the University of California will be:

Cornell University  
Harvard University  
Stanford University  
State University of New York at Buffalo  
University of Illinois  
University of Michigan at Ann Arbor  
University of Wisconsin at Madison  
Yale University

Comparison institutions for the California State University and Colleges will be:

### East

State University of New York at Albany  
State University of New York College at Buffalo  
Syracuse University  
Virginia Polytechnic Institute and State University

### West

University of Southern California  
University of Hawaii  
University of Nevada  
University of Oregon  
Portland State University

- 
1. If any institution is omitted for any reason, a replacement will be selected based upon the established criteria by Commission staff in mutual consultation with the segments, the Department of Finance, and the Legislative Analyst. The Attachment indicates the criteria for selection of the comparison institutions.

Other

University of Colorado  
Illinois State University  
Northern Illinois University  
Southern Illinois University  
Indiana State University  
Iowa State University  
Wayne State University  
Western Michigan University  
Bowling Green State University  
Miami University (Ohio)  
University of Wisconsin at Milwaukee

D. FACULTY TO BE INCLUDED AND EXCLUDED

The faculties to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine and eleven month (prorated) appointments, (both regular and irregular ranks as appropriate), with the exception of faculties in the health sciences, summer sessions, extension programs and laboratory schools, provided that these faculties are covered by salary scales or schedules other than that of the regular faculty. At the rank of instructor, full-time equivalent faculty are used because of the preponderance of part-time appointments at this rank.

The faculty members to be included are those assigned to instruction (regardless of the assignments for research or other university purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

E. COMPUTATION OF AVERAGE SALARIES AND COST OF FRINGE BENEFITS

For each academic rank within the California State University and Colleges' comparison groups, the total actual salary dollars for the combined group is divided by the number of faculty within the rank to derive average salaries by rank for their comparison institutions as a whole. Average costs of fringe benefits will be computed in a similar manner.

For the University of California's comparison groups, the average salary by rank is obtained for each comparison institution. The single average salary (for each rank) for the comparison group is then calculated by adding the average salaries at the eight comparison institutions and dividing by eight, thereby giving equal weight to each institution regardless of the number of faculty. The same procedure should be used to compute the cost of fringe benefits.

#### F. FIVE-YEAR COMPOUND RATE OF SALARY AND FRINGE BENEFIT GROWTH

For the preliminary report, a five-year compound rate of change in salaries and fringe benefits at each rank at the comparison institutions will be computed on the basis of actual salary and fringe benefit data of the preceding year and of the prior five years.

In obtaining compound rates of change at the comparison institutions, each segment will compute the average salary and fringe benefit costs by rank for their respective comparison institution groups as specified in Section E above. Each will then calculate the annual compound growth rate changes in average salaries and fringe benefit costs for each rank (over the five-year period) at their respective comparison institutions. These rates of change will then be used to project average salaries and costs of fringe benefits for that rank forward for two years to the budget year.

The same procedure will be used in producing the final report, except that the base year for the comparison institutions will be moved forward one year, permitting the use of a one-year projection rather than the two-year projection necessary in the preliminary report. The California segments will use actual current salary and fringe benefit data as reported by the comparison institutions rather than budgeted figures.

#### G. ALL-RANKS AVERAGE SALARY AND FRINGE BENEFIT COSTS

Average all-ranks average salaries and fringe benefit costs projected for the budget year will be calculated for each segment, using the average salaries and fringe benefits by rank projected for the budget year for the comparison groups and the staffing pattern in the appropriate California segment. The California State University and Colleges will use the current year staffing pattern while the University of California will use a staffing pattern projected for the budget year. These all-ranks average salary and fringe benefit amounts for the budget year constitute the salaries and fringe benefits to be provided to the corresponding California segment for that segment to achieve parity, rank-by-rank, with its comparison group. The average all-ranks salaries and fringe benefits thus projected to the budget year for each California segment will then be compared with the current all-ranks average salaries and fringe benefits for that segment to determine the percentage increase required by the segment to achieve parity. For the 1978-79 report, the California State University and Colleges will modify the percentage difference (to 1/10th of a percentage point) to account for merit increases, promotions, and faculty turnover. This adjustment will not be necessary for the University of California since the projection of the staffing pattern into the budget year will account for these adjustments automatically. In subsequent years, the California State University and Colleges will use the same procedure as the University of California.

#### H. SUPPLEMENTARY INFORMATION

The Commission will prepare supplementary tables containing five years of trend data, with the data for the most recent year supplied by the segments.

1. Number of full-time faculty by rank;
2. Number and percent of new and continuing full-time faculty with the doctorate by rank;
3. Number and percent of full-time faculty with tenure or security of appointment by rank;
4. Separations of full-time faculty with tenure or security of appointment by rank;
5. Destination of faculty who resign, by rank (indicating the name of the institution for those faculty remaining in higher education);
6. Sources of recruitment by rank;
7. Faculty promotional patterns.

## ATTACHMENT

### CRITERIA FOR SELECTION OF COMPARISON INSTITUTIONS

The following criteria will be used to select comparison institutions for the University of California:

1. Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Masters and Ph.D.), and professional instruction, and with a faculty responsible for research as well as teaching.
2. Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.
3. Each institution should be one from which it is possible to collect salary data on a timely, voluntary and regular basis. (Not all institutions are willing to provide their salary data, especially in the detail required for comparison purposes.)
4. The comparison group should be composed of both public and private institutions.

In selecting these institutions, stability over time in the comparison institutions group is important to enable the development of faculty salary market perspective, time serious analysis, and the contacts necessary for gathering required data.

The following criteria will be used for selection of comparison institutions for the California State University and Colleges. The institutions selected according to these criteria are those which have approximately the same functions with regard to undergraduate and graduate instruction, and with which the California State University and Colleges compete for faculty.

#### 1. General Comparability of Institutions

The expectations of faculty at the comparison institutions should be relatively similar to those prevailing at the California State University and Colleges. Consequently, the comparison institutions should be large institutions that offer both undergraduate and graduate instruction. Excluded from consideration under this criterion were:

- a. Institutions with less than 300 faculty members;

- b. The 20 institutions that awarded the greatest number of doctoral degrees during the ten-year period, 1959-60 through 1968-69. (These 20 institutions awarded nearly half of all doctoral degrees awarded in the U.S. during this period);
- c. Community Colleges and colleges without graduate programs;
- d. Institutions staffed with religious faculty.

## 2. Comparability of States' Ability to Support Higher Education

The basis of financial support available to the comparison institutions should be relatively similar to that of California. Excluded from consideration were:

- a. Institutions in states where the per capita income in 1970 was more than ten percent below the U.S. average. (California's per capita income was approximately 14 percent above the U.S. average.) The criterion was applied to both public and private institutions;
- b. Institutions in New York City and Washington, D.C., because of the high cost of living and the much higher than average incomes in these cities.

## 3. Competition for Faculty

Institutions on the comparison list preferably should be institutions from which California State University and Colleges' faculty are recruited or vice versa.

## 4. Similarity of Functions

The comparison group should include institutions that are among the largest institutions with graduate programs but which do not grant, or grant very few, doctoral degrees.<sup>1</sup> (Nine CSUC campuses are among the 20 largest such institutions in the country.)

## 5. Fringe Benefits

The comparison institutions should provide fringe benefits, including a retirement program, that vests in the faculty member within five years. This criterion was applied by generally excluding from consideration institutions with nonvesting retirement programs.

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1. Category IIA in the AAUP report.  
C-9



6. University of California Comparison Institutions

The comparison group of institutions developed for the California State University and Colleges should not include institutions used by the University of California in determining its faculty compensation.

7. Acceptance as Comparison Institution

The comparison institutions preferably should be institutions that have been accepted previously for the purpose of comparing faculty salaries in the California State University and Colleges.

8. Senior or Tenured Faculty

The comparison group of institutions should have a faculty mix ratio in their upper two ranks that is similar to the ratio of faculty in the upper two ranks of the California State University and Colleges.

APPENDIX D

University of California and California State  
University and Colleges Comparison Institutions

1966-67 - 1979-80

UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY  
AND COLLEGES COMPARISON INSTITUTIONS, 1966-67 - 1979-80

1966-67

University of California:

Columbia University  
Harvard University  
Princeton University  
University of Michigan  
Yale University

California State Colleges:

Bowling Green State University  
Brooklyn College  
Carleton College  
Colorado State University  
Occidental College  
Pomona College  
Purdue University  
Rutgers State University  
Southern Illinois University  
Wesleyan University

1967-68

University of California:

Columbia University  
Cornell University  
Harvard University  
Princeton University  
University of Illinois  
University of Michigan  
University of Wisconsin  
Yale University

California State Colleges:

Bowling Green State University  
Brandeis University  
Brooklyn College  
Iowa State University  
Occidental College  
Pomona College  
Purdue University  
Rutgers State University  
Southern Illinois University  
University of Oregon

1968-69

University of California:

Cornell University  
Harvard University  
Stanford University  
State University of New York (Buffalo)  
University of Illinois  
University of Michigan  
University of Wisconsin  
Yale University

California State Colleges:

Bowling Green State University  
Brandeis University  
Brooklyn College  
Brown University  
Iowa State University  
Michigan State University  
Northwestern University  
Pennsylvania State University  
Purdue University  
Rutgers State University  
Southern Illinois University  
State University of New York (Albany)  
University of Colorado  
University of Kentucky  
University of Massachusetts (Amherst)  
University of Oregon  
Wayne State University  
University of Minnesota

1969-70

University of California:

(No Change)

California State Colleges:

(No Change)

1970-71

University of California:

Brown University  
Columbia University  
Cornell University  
Harvard University  
Princeton University  
Michigan State University  
Northwestern University  
Ohio State University  
Purdue University  
University of Chicago  
University of Indiana  
University of Illinois  
University of Iowa  
University of Michigan  
University of Minnesota  
University of Pennsylvania  
University of Wisconsin  
Yale University  
Stanford University

California State Colleges:

The Major Public University in Each State (50 Institutions)

University of Alabama  
University of Alaska  
University of Arizona  
University of Arkansas  
University of California  
University of Colorado  
University of Connecticut  
University of Delaware  
University of Florida  
University of Georgia  
University of Hawaii  
University of Idaho  
University of Illinois  
Indiana University  
University of Iowa  
University of Kansas  
University of Kentucky  
Louisiana State University  
University of Maine  
University of Maryland  
University of Massachusetts  
University of Michigan

University of Minnesota  
University of Mississippi  
University of Missouri  
University of Montana  
University of Nebraska  
University of Nevada  
University of New Hampshire  
University of New Mexico  
Rutgers State University (New Jersey)  
State University of New York (Buffalo)  
University of North Carolina  
University of North Dakota  
Ohio State University  
University of Oklahoma  
University of Oregon  
Pennsylvania State University  
University of Rhode Island  
University of South Carolina  
University of South Dakota  
University of Tennessee  
University of Texas  
University of Utah  
University of Vermont  
University of Virginia  
University of Washington  
West Virginia University  
University of Wisconsin  
University of Wyoming

Other Public Institutions Which Meet the Definition of a  
University (20 Institutions)

Auburn University  
Arizona State University  
Colorado State University  
Florida State University  
Purdue University  
Iowa State University  
Kansas State University  
Michigan State University  
Wayne State University  
Mississippi State University  
New Mexico State University  
North Dakota State University  
University of Cincinnati  
Oklahoma State University  
Oregon State University  
Texas A & M University  
Texas Technological College  
University of Houston  
Utah State University  
Washington State University

Private Institutions Which Meet the Definition of a  
University (32 Institutions)

Stanford University  
University of Southern California  
Yale University  
George Washington University  
Illinois Institute of Technology  
Northwestern University  
University of Chicago  
Tulane University  
Johns Hopkins University  
Boston University  
Brandeis University  
Clark University  
Harvard University  
Massachusetts Institute of Technology  
Tufts University  
Washington University (St. Louis)  
Princeton University  
Columbia University  
Columbia Teachers College  
Cornell University  
New York University  
Syracuse University  
University of Rochester  
Duke University  
Case Western Reserve  
Lehigh University  
Temple University  
University of Pennsylvania  
University of Pittsburgh  
Brown University  
Vanderbilt University  
Rice University

1971-72

University of California:

(No Change)

California State University and Colleges:

(No Change)

1972-73

University of California:

(Same List as Used in 1968-69)

California State University and Colleges:

(No Change)

1973-74

University of California:

(No Change)

California State University and Colleges:

Bowling Green State University  
Illinois State University  
Indiana State University  
Iowa State University  
Miami University (Ohio)  
Northern Illinois University  
Portland State University  
Southern Illinois University  
State University of New York (Albany)  
State University of New York (Buffalo College of Arts and Sciences)  
Syracuse University  
University of Colorado  
University of Hawaii  
University of Nevada  
University of Oregon  
University of Southern California  
University of Wisconsin (Milwaukee)  
Virginia Polytechnic Institute and State University  
Wayne State University  
Western Michigan University

1974-75

University of California:

(No Change)

California State University and Colleges:

(No Change)



1975-76

University of California:

(No Change)

California State University and Colleges:

(No Change)

1976-77

University of California:

(No Change)

California State University and Colleges:

(No Change)

1977-78

University of California:

(No Change)

California State University and Colleges:

(No Change)

1978-79

University of California:

(No Change)

California State University and Colleges:

(No Change)

1979-80

University of California:

(No Change)

California State University and Colleges:

(No Change)

APPENDIX E

University of California Salaries and Cost of Fringe Benefits

1979-80

TABLE 1

## UNIVERSITY OF CALIFORNIA

Projected 1979-80 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>Comparison Group Average Salaries</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries</u>
	1973-74	1978-79		1979-80
(1)	(2)	(3)	(4)	(5)
Professor	\$24,482	\$32,383	5.75%	\$34,246
Associate Professor	17,004	21,943	5.23	23,091
Assistant Professor	13,481	17,447	5.29	18,371

TABLE 2

## UNIVERSITY OF CALIFORNIA

Percentage Increase in UC 1978-79 All Ranks Average Salary  
Required to Equal the Comparison Group Projections for 1979-80,  
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
(Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>UC</u>	<u>Comparison Group</u> <u>Projected Salaries</u>	<u>Percentage Increase</u> <u>Required in UC</u> <u>1978-79 Salaries</u>
	<u>Average Salaries</u> 1978-79	1979-80	
(1)	(2)	(3)	(4)
Professor	\$30,065	\$34,245	13.91%
Associate Professor	20,620	23,091	11.98
Assistant Professor	17,150	18,370	7.12
All Ranks Average	\$25,337 <sup>1</sup>	\$28,538 <sup>1</sup>	12.64%

1. Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 2,706.91; Associate Professor, 1,086.55; Assistant Professor, 937.34. Total staff: 4,730.80.

TABLE 3

## UNIVERSITY OF CALIFORNIA

Projected 1979-80 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>Comparison Group Average Cost of Fringe Benefits</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Cost of Fringe Benefits</u>	
	1973-74	1978-79		1979-80	
(1)	(2)	(3)	(4)	(5)	
Professor	\$4,254	\$6,094	7.45%	\$6,548	
Associate Professor	2,891	4,109	7.28	4,408	
Assistant Professor	2,346	3,383	7.59	3,640	

TABLE 4

## UNIVERSITY OF CALIFORNIA

Percentage Change in UC 1978-79 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1979-80, Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Cost of Fringe Benefits <sup>1</sup>	Comparison Group Average Cost of Fringe Benefit Projections	Percentage Change Required in UC 1978-79 Average Cost of Fringe Benefits
	1978-79	1979-80	
(1)	(2)	(3)	(4)
Professor	\$6,929	\$6,548	- 5.50%
Associate Professor	4,969	4,408	-11.28
Assistant Professor	4,250	3,640	-14.35
All Ranks Average	\$5,948 <sup>2</sup>	\$5,481 <sup>2</sup>	- 7.86%
Less Adjustment for the Effect of a 12.64% Range Adjustment		- 664	-11.16
Adjusted Parity Requirement		\$4,817	-19.02%

1. Based on \$692.60 plus 20.74% of average salary.

2. Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 2,706.91; Associate Professor, 1,086.55; Assistant Professor, 937.34. Total staff: 4,730.80.

APPENDIX F

California State University and Colleges  
Salaries and Cost of Fringe Benefits, 1979-80

TABLE 1

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1979-80 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>Comparison Group Average of Average Salaries</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries</u>
	1973-74	1978-79		1979-80
(1)	(2)	(3)	(4)	(5)
Professor	\$20,978	\$27,813	5.80%	\$29,427
Associate Professor	16,115	21,227	5.67	22,430
Assistant Professor	13,224	17,058	5.22	17,949
Instructor	10,223	13,403	5.57	14,149



TABLE 2

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Increase in CSUC 1978-79 All Ranks Average Salary  
Required to Equal the Comparison Group Projections for 1978-79,  
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>CSUC</u>		<u>Comparison Group</u> <u>Projected Salaries</u>	<u>Percentage Increase Required</u> <u>in CSUC 1978-79 Salaries</u>
	<u>Average Salaries</u>	<u>1978-79</u>	<u>1979-80</u>	
(1)	(2)	(3)	(4)	
Professor	\$26,319	\$29,427	11.81%	
Associate Professor	20,361	22,430	10.16	
Assistant Professor	16,648	17,949	7.81	
Instructor	14,533	14,149	- 2.64	
All Rank Average	\$22,401 <sup>1</sup>	\$24,775 <sup>1</sup>	10.60%	
Less Turnover and Promotions		- 112	- 0.50	
Adjusted Total		\$24,663	10.10%	

1. Based on CSUC 1978-79 staffing: Professor, 5,489; Associate Professor, 3,438; Assistant Professor, 2,221; Instructor, 218. Staff Total: 11,366.

TABLE 3

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1979-80 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>Comparison Group Average Cost of Fringe Benefits</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Cost of Fringe Benefits</u>	
	1973-74	1978-79		1979-80	
(1)	(2)	(3)	(4)	(5)	
Professor	\$2,998	\$4,709	9.45%	\$5,154	
Associate Professor	2,411	3,807	9.57	4,171	
Assistant Professor	2,012	3,094	8.99	3,372	
Instructor	1,555	2,393	9.00	2,609	

TABLE 4

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Change in CSUC 1978-79 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1979-80 Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>CSUC Average Cost of Fringe Benefits<sup>1</sup></u>		<u>Comparison Group Average Cost of Fringe Benefit Projections</u>		<u>Percentage Change Required in CSUC 1978-79 Average Cost of Fringe Benefits</u>	
	1978-79	(2)	1979-80	(3)	(4)	
Professor		\$6,157		\$5,154		-16.29%
Associate Professor		5,304		4,171		-21.36
Assistant Professor		4,560		3,372		-26.05
Instructor		3,890		2,609		-32.93
All Ranks Average		\$5,543 <sup>2</sup>		\$4,460 <sup>2</sup>		-19.54%
Less 0.5% Turnover & Promotions, Automatic Salary/Benefit Adjustment, and an Adjustment for the Effect of an 10.10% Range Increase						- 7.13
Adjusted Parity Requirements				\$4,065		-26.67%

1. Based on \$1,740 plus 16.98 percent of average salary at each rank.

2. Based on CSUC 1978-79 staffing: Professor, 5,489; Associate Professor, 3,438; Assistant Professor, 2,221; Instructor, 218. Total Faculty: 11,366.

APPENDIX G

Report on Medical School Clinical Compensation Plans  
and Clinical Faculty Salaries

University of California and Comparison Institutions

# UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION



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Office of the President

BERKELEY, CALIFORNIA 94720

March 23, 1979

Mr. Patrick M. Callan, Director  
California Postsecondary Education Commission  
1020 - 12th Street  
Sacramento, California 95814

Dear Pat:

Pursuant to the Budget Conference Committee's Supplemental Report to the 1978-79 Budget Act, I am pleased to transmit the attached report titled "University of California Medical School Clinical Compensation Plans and Clinical Faculty Salaries."

Please let me know if you have any questions concerning this report or if you require additional information.

Sincerely,

D. S. SAXON

David S. Saxon  
President

Enclosures (5)

cc: The Honorable Albert S. Rodda  
Chairman, Senate Finance Committee (2 copies)  
The Honorable Daniel E. Boatwright  
Chairman, Assembly Ways & Means Committee (2 copies)  
Director of Finance Richard T. Silberman  
Legislative Analyst William R. Hamm  
Associate Vice President Thomas E. Jenkins  
Special Assistant Lowell J. Paige

UNIVERSITY OF CALIFORNIA  
REPORT ON MEDICAL SCHOOL CLINICAL COMPENSATION PLANS AND  
CLINICAL FACULTY SALARIES

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UNIVERSITY OF CALIFORNIA

Report on Medical School Clinical Compensation Plans and  
Clinical Faculty Salaries

This report responds to Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill which recommends that:

UC shall report to CPEC annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution) and (2) the number of compensation plan exceptions in effect at each UC school.

This report discusses the issues in the above supplemental language by providing:

1. a description of the type of compensation plans utilized by each UC school and each comparison institution (Section I);
2. a discussion of the University's full-time clinical faculty salaries and those of its comparison institutions (Section II); and
3. a report on compensation plan exceptions (Section III).

I. Clinical Compensation Plans

General

Clinical compensation plans are compensation arrangements created by medical schools to provide competitive income for physicians and other faculty with direct patient-care responsibility as well as to further the academic goals of the medical schools. As stated by the Association of American Medical Colleges (AAMC) in their December, 1977 report on An In-Depth Study of Seven Medical Practice Plans,

"The most commonly stated plan objective is the attraction and retention of quality faculty through the provision of acceptable compensation levels not achievable through other salary sources. An additional objec-



tive quite prevalent among the . . . plans is the use of plan revenue to help achieve departmental and schoolwide program enrichment with stable, flexible funds."

The AAMC reviewed the medical practice plans of the 112 M.D. degree-granting fully accredited medical schools in the U.S. and concluded that the plans could be characterized by the degree of central control exercised over the details of the plans' operations, along a "centralized/decentralized" axis. A summary of the three basic types of clinical compensation plans was developed by the AAMC as follows:

Type A - a highly centralized compensation approach, characterized by two basic and interrelated features. First, all patient-care fees are collected and deposited to central accounts, usually with few references to the origin of the bill beyond the requirements of accurate book-keeping and physician liability and accountability for services rendered. Second, physicians are placed on either individually set or departmentally fixed incomes based on a predetermined compensation schedule which recognizes such features as academic rank, previous or current clinical services, and additional merit or service features.

Type B - an intermediate arrangement in which some common policy framework exists for patient-care fee collection and disbursement. In this approach a general policy is set for all medical school faculty with patient-care responsibilities, requiring that they follow specified billing and collection procedures through a central office or departmental offices. Compensation is determined by a formula which recognizes the productivity of patient-care activities as well as academic factors such as rank and scholarship. Such compensation arrangements usually set broad ranges for total compensation, recognizing the aforementioned features, with set maxima either by department, school, or specialty.

Type C - the least disciplined arrangement, which allows wide variation by individual department or among specialties as to how patient-care fees are collected and subsequently distributed. The most extreme example permits the faculty member to bill and retain virtually all of the billable practice income with some requirement to reimburse the institution for overhead cost (office space, hospital fees, etc.).

Table 2 (p. 11), provides a further description of this medical practice plan typology, indicating by directional arrows the kind of movement that typically occurs in the organization of a practice plan--from no plan to decentralized, to intermediate, and to centralized.

University of California Uniform Medical School Clinical Compensation Plan

The University of California uniform Medical School Clinical Compensation Plan, approved by The Regents in November, 1977 for implementation in 1978 falls within the Type B category. It provides a uniform framework for patient-care billing and sets uniform compensation maxima based on academic rank and step. The Plan provides sufficient flexibility so that specific parameters for the various medical specialties or disciplines within the same department may be established as long as the maximum compensation arrangements established by the Plan are not exceeded.

The key features of this Plan are:

1. The eleven-month regular faculty salary scale approved by The Regents for each faculty rank forms the base salary for all medical school ladder rank faculty. There is no differential in the base salary between medical school faculty and general campus faculty.
2. Arrangements for compensation in addition to the base salary are limited to three types.
  - a. Negotiated Income - This is an amount of additional compensation

determined by a department or school that a clinician can earn via contribution of income from patient-care (and certain other specified income sources) to a group or pooled income system. There is an absolute ceiling on this amount, as discussed below.

- b. Income Limitation Arrangements - These are arrangements whereby the faculty member may retain, subject to assessments, income directly from patient-care activities. Assessments are progressive and reach a nearly confiscatory level at approximately three times the faculty member's base salary.
  - c. Combination Plans - These are arrangements whereby faculty members share a predetermined portion of a pooled amount and are allowed to retain individual earnings beyond that amount up to a maximum ceiling.
3. Membership in this Plan is mandatory for all clinical faculty with patient-care responsibility who hold an appointment at 50% or more time, and all income from professional services performed by these faculty is subject to the terms of the Plan.
  4. Accounting standards and monitoring practices are specified in the guidelines for implementation of this Plan. Along with the Plan and guidelines, accounting procedures have been developed which are consistent with the Plan objectives.

#### Comparison Data Survey

One of the principal features of the uniform Medical School Clinical Compensation Plan is a provision for periodic review of the established compensation maxima. In Section IV (Compensation), which sets forth the formulae for deriving maximum compensation, provision IV.B.6 states:

Compensation levels and assessment rates will be reviewed periodically by the Vice President--Academic and Staff Personnel Relations in light of comparison data from University of California Medical Schools as

well as from other comparison institutions. On the basis of the Vice President's report, the President, after consultation with the Academic Senate, may recommend adjustments in the compensation levels in this Plan to The Regents.

A set of comparison institutions was selected and a statistical method adopted that would yield the requisite data to satisfy this provision of the Medical School Clinical Compensation Plan as well as the requirement for an annual report to the California Postsecondary Education Commission.

#### Selection of Comparison Institutions

Eight institutions that represent comparable programs were selected from public and private sectors. Five of the institutions are public in character and three are private. The institutions selected represent a diverse spectrum and sufficient variation of settings and practice plan arrangements to provide valid comparisons. Appendix B (see pp. 19-20) provides a brief description of the various compensation plans used by the comparison institutions.

<u>Comparison Institutions</u>		
<u>Name</u>	<u>Public or Private</u>	<u>Compensation Plan</u>
*Stanford	Private	yes
State Univ. of New York- Upstate Medical School	Public	yes
Univ. of Chicago	Private	yes
*Univ. of Illinois	Public	no
*Univ. of Michigan	Public	yes
Univ. of Texas, Houston	Public	yes
*Univ. of Wisconsin	Public	yes
*Yale University	Private	yes

The comparison institutions included five that are also in the general campus survey (noted by asterisks). In addition, the University of Texas, Houston, and the State University of New York-Upstate Medical School were selected because they are part of larger multicampus systems with more than one medical school.

## II. Compensation Survey

### A. Data Collection

Compensation plan information was obtained from the eight comparison medical schools by means of a questionnaire (see Appendix A, pp. 16-18). The questionnaire was followed by phone calls, and a special meeting which took place during the October, 1978 meeting of the AAMC in New Orleans. At that special meeting of the comparison schools, there was an extended discussion of the practical aspects of medical salary and practice plan management, and arrangements were made to meet and/or consult each year and to regularly exchange data. Further, Mr. William L. Storey, Higher Education specialist with the California Postsecondary Education Commission, was consulted about this comparison study, and has agreed to meet to discuss in detail the methodology and conclusions.

### B. Selection of Departments and Disciplines

Comparison of medical schools' salaries raises problems which do not occur in comparing salaries of general campuses. On general university campuses, overall salary averages for a given professorial rank are a good reflection of what the individual faculty member is actually paid at that rank. In medical schools, however, there is great variation in individual salaries, and an overall salary average for a given medical school is statistically unreliable. For that reason, it was not possible to use overall salary averages from the comparison medical schools in

this study. Statistics from the annual AAMC report of clinical salaries were similarly of little utility since they tend to aggregate salaries from a variety of clinicians, both full and part-time, without sufficient disaggregation in the sample to make the data useful for this survey. The method that was devised to avoid the above problems was to select a stratified sample of three clinical specialties which are commonly found in schools of medicine and which typically represent a range of compensation within medical schools. The three clinical specialties selected are (a) Pediatrics, typically at a lower level of compensation; (b) Medicine, typically at a mid-level compensation; and (c) Surgery, typically at a higher compensation. These three clinical specialties are taken as representative of the medical schools at large and are used as the base for developing the data for this study. The salary data received from the thirteen medical schools (five from UC and eight from comparison institutions) are treated as follows: a single weighted-average compensation is constructed from the five UC medical school responses for each of the three specialties. That weighted average is displayed in a ranked table (ranked by professorial compensation) together with the responses from the eight comparison medical schools (see Tables 3, 4, and 5, pp. 12, 13, and 14).

#### C. The Method

For each of the specialties a simple average of the resulting table of nine weighted averages is then calculated, as well as the standard deviation, and entered at the bottom of each of Table 3, 4 and 5. The single average for the five medical schools is examined in each of the three ranked tables to determine where that average falls within the sample of nine weighted averages; i.e., whether or not that particular average deviates significantly from the general average. The

tables reflect the following:

- a. where the UC average falls within one standard deviation;
- b. where the UC average is with respect to the average for the group as a whole; and
- c. whether the UC average is within one standard deviation of the group average.

If the UC average is, in fact, within one standard deviation from the group average, then the UC average can be considered to be not statistically different from that of the group as a whole.

D. Results of the Clinical Salary Comparison and University of California Standing in Each Category

Tables 3, 4, and 5 (see pp. 12, 13, and 14) indicate that the University's average compensation is consistent with the overall average for each specialty, as displayed below:

AVERAGE FULL PROFESSOR COMPENSATION - ABSTRACTED FROM TABLES 3, 4, 5.					
Medicine		Pediatrics		Surgery	
High	67,000	High	67,000	High	88,000
Average	60,440	UC	59,000	Average	79,440
UC	59,000	Average	57,560	UC	75,000
Low	54,000	Low	51,000	Low	67,000

From the table above, the following conclusions are drawn:

1. In Medicine (Table 3,p.12), average professorial compensation ranges from a high of \$67,000 per year to a low of \$54,000, with an average of \$60,440. The UC average for Medicine is \$59,000, slightly below the group average.
2. In Pediatrics (Table 4,p.13), average professorial compensation ranges

from a high of \$67,000 per year to a low of \$51,000, with an average of \$57,560. The UC average for Pediatrics is \$59,000, slightly (but not significantly) higher than the group average (within one standard deviation from the average).

3. In Surgery (Table 5, p. 15), average professorial compensation ranges from a high of \$88,000 per year to a low of \$67,000, with an average of \$79,440. The UC average for Surgery is \$75,000, somewhat (but not significantly) below the group average.

Within each of the three specialties, the spread of salaries is not great, supporting the assumption that the selected medical schools are comparable. In each of the tables for the three specialties, the University's average compensation is close to the overall average, as is displayed in the table above. For these reasons, the compensation being paid in University of California medical schools can be considered to be representative, competitive and appropriate. Therefore, there appears to be no need at this time to alter the current compensation formulas.

### III. Exceptions to the Plan

Requests for exceptions, including individual exceptions, to the Medical School Clinical Compensation Plan may originate with the individual department, and, subject to approval by the Dean, are then forwarded to the campus Chancellor for the next approval step. The Chancellor then consults with the campus Academic Senate. If the Chancellor approves the exception, the request is recommended to the President for final approval. All approved exceptions to compensation limits must be reported to the Board of Regents.

As part of the implementation of the Plan it was agreed that certain limited existing arrangements would be permitted to continue. Other than these exceptions, no individual exceptions have been made. Irvine has been permitted to delay implementation of the Plan until January, 1980 in order to accommodate the campus conversion from a gross to a net clinical fee compensation plan.



TABLE 1

COMPARISON INSTITUTIONS - MEDICAL SCHOOLS

Stanford University  
State University of New York -  
Upstate Medical School  
University of Chicago  
University of Illinois  
University of Michigan  
University of Texas, Houston  
University of Wisconsin  
Yale University

TABLE 2

## MEDICAL PRACTICE PLAN TYPOLOGY

PLAN FEATURES	TYPE A Centralized ←		TYPE B Intermediate ←		TYPE C Decentralized	
<u>Organization &amp; Participation</u> • Structure  • Policy Determination	A discretely recognized entity, either within or external to the medical school, having its own personnel, budget and procedural guidelines		A common framework for clinical practice activity exists within which departmental or specialty groups function		A variety of clinical practice arrangements for academic departments or medical specialties are permitted.	
	All practicing clinicians are included and directly and/or indirectly through their representatives meet with institutional officials to focus only on clinical practice - related issues.		Most clinical disciplines are participants in deliberations about clinical practice - related issues identified by institutional officials.		Executive faculty and the dean consult as necessary during the routine conduct of general meetings.	
<u>Operations</u> • Administration  • Fee Handling	A full-time manager supervises the day-to-day plan operation with responsibility for all administrative services supporting the practice of medicine.		A number of the dean's regular administrative staff is the focus for coordination of many plan support services.		Either the department head or his designate directs administrative support services.	
	All clinical practice related revenue flows through the Plan Office which renders bills, collects fees and disburses income.		Uniform procedures for billing, collection and disbursement of fees are implemented		Options for billing, collection or disbursement of fees are available to academic departments or medical specialties.	
Private Medical Schools	12		10		3	
Public Medical Schools	21		16		5	

The above table is taken from An In-Depth Study of Seven Medical Practice Plans--Association of American Medical Colleges, December, 1977, p. 14.

The arrows show the kind of movement that typically occurs in the organization of a practice plan, from no plan, to decentralized, to intermediate, and to centralized.

TABLE 3  
AVERAGE SALARY (In 1000's of Dollars)  
MEDICINE DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF.	ASSISTANT PROF.
E	67	55	50
F	55	45	37
D	53	49	42
B	62	52	42
A	61	52	42
UC <sup>1</sup>	59	49	40
C	59	44	38
G	54	48	42
H	54	45	34
Average	50.44	48.78	40.78
Standard Deviation	4.48	3.73	4.47

1. Weighted average of data from UC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

TABLE 4  
AVERAGE SALARY (In 1000's of Dollars)  
PEDIATRICS DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF	ASSISTANT PROF
B	67	63	44
D	60	44	38
E	59	51	30
UC <sup>1</sup>	59	47	39
F	58	47	39
A	58	48	40
G	55	41	35
C	51	43	34
H	51	40	30
Average	57.56	47.11	36.56
Standard Deviation	4.90	6.92	4.69

1. Weighted average of data from UC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

TABLE 5  
AVERAGE SALARY (In 1000's of Dollars)  
SURGERY DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF	ASSISTANT PROF
A	88	75	59
E	87	73	62
C	87	69	52
S	84	65	58
D	78	55	56
G	76	61	54
UC <sup>1</sup>	75	57	48
F	73	59	46
H	67	52	46
Average	79.44	62.89	53.44
Standard Deviation	7.40	8.10	5.85

1. Weighted average of data from UC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

## APPENDIX A

UNIVERSITY OF CALIFORNIAAnnual Medical School Faculty Salary SurveyInstructions

The form will be provided for three departments only, General Medicine, Pediatrics, and Surgery. Three categories of compensation are identified with definitions. These are:

1. Base or Guaranteed Component - the base salary derived from University of California salary scales for that rank and guaranteed by the University exclusive of fringe benefits;
2. University of California Uniform Medical School Clinical Compensation, or expected compensation, not including the base salary described in 1, above, which is received through or as a result of the operation of, and the individual faculty member's participation in, the University of California Uniform Medical School Clinical Compensation Plan, and
3. Grand Total Compensation - the sum of the monies associated with items 1 and 2 above, divided by the head count for that line of the questionnaire.

In each case, one calculates the average for each box in the questionnaire by totalling all the monies involved in that category and then by dividing by the head count for that line of the questionnaire. Reasonable estimates of the year's earnings should be reported

or last year's actual earnings with any estimated increment. Please specify the method used in the "comments" section at the bottom of each questionnaire.

For the departments specified above, include only 12 month salaries for full-time paid faculty utilizing September 1 budget figures whenever possible. Include the full salary of faculty on sabbatical leave. Exclude those faculty at affiliated institutions, full salary for vacant positions, house staff and fellows in all ranks and part-time and volunteer faculty.

Attached is a list of the subspecialties to be included within three departments (General Medicine, Pediatrics and Surgery). If you have any questions, please phone R.D. Menhenett at (415):642-1454.

SURGERY

GENERAL SURGERY  
THORACIC  
CARDIO-VASCULAR  
E.N.T.  
UROLOGY  
NEUROSURGERY  
ORTHOPEDICS  
PLASTIC

MEDICINE

GENERAL  
CARDIOLOGY  
ENDOCRINOLOGY  
GASTROENTEROLOGY  
HEMATOLOGY  
HEPATOLOGY  
INFECTIOUS DISEASE  
NEPHROLOGY  
RHEUMATOLOGY  
PULMONARY

PEDIATRICS

ALL, INCLUDING  
PEDIATRIC  
CARDIOLOGY



CAMPUS \_\_\_\_\_

DATE THE REPORT WAS PREPARED \_\_\_\_\_

UNIVERSITY OF CALIFORNIA  
MEDICAL SCHOOL FACULTY SALARY SURVEY

DEPARTMENT \_\_\_\_\_ EFFECTIVE DATE \_\_\_\_\_

RANK		COMPENSATION		
Rank	Headcount	Base Salary or Guaranteed Component (Average)*	Uniform Compensation Plan Component (Average)*	Grand Total Compensation (Average)*
Professor				
Associate Professor				
Assistant Professor				
Instructor				

\*Average salary for each of the three compensation columns should be computed by dividing the total dollars by the headcount for each rank.

Comments or qualifications: \_\_\_\_\_

## APPENDIX B

### Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools

#### 1) Stanford University

Stanford has a new practice plan that is currently being written and is not yet available.

#### 2) State University of New York - Upstate Medical School

Overall management of the practice plan is vested in a governing board consisting essentially of the President, the Dean of the Medical School and the medical school department chairmen. The departments have considerable autonomy, and keep the accounts and do the billing. The State is paid for overhead costs, and the Medical School levies a surcharge on gross practice plan income for its own use. (A Type "B" or Type "C" Plan)

#### 3) University of Chicago

General guidelines are issued to the departments by the Dean's office. Within those guidelines, individual practice plans are negotiated on a departmental basis. The medical school is experimenting with a surcharge, and with various kinds of non-salary incentives. Currently, however, the individual departments have a good deal of autonomy. (A Type "C" Plan)

#### 4. University of Illinois

No formal practice plan exists. The medical school provides centralized billing facilities. Beyond that, what happens is the result of individual negotiation between the individual faculty member, his department and the Dean's office.

#### 5. University of Michigan

The plan is centralized, with a formal central business office run by a full-time Director who reports directly to the Dean of the Medical School. The central business office establishes policy, does billing and handles

20

disbursements. The individual departments have comparatively little autonomy. The plan was phased in gradually over the five-year period from 1973 to 1978. (A Type "A" Plan)

6) University of Texas at Houston

The plan is controlled by a Board of Directors consisting of the President, V.P. for Business Affairs and the department chairmen. The plan provides for central billing and disbursement of funds; however, individual faculty salaries are set through individual negotiation between a faculty member and his department chairman. The departments have considerable autonomy. (A Type "B" or Type "C" Plan)

7) University of Wisconsin

Although a written plan exists, its net effect is to vest authority in the individual departments. Each department creates in effect its own individual practice plan and does pretty much as it pleases, subject to certain maximum salary constraints written into the central plan. (A Type "B" or Type "C" Plan)

8) Yale University

The practice plan consists of a series of brief salary guidelines published by the Dean which set up a framework for salary payment and establish the permissible salary ranges within which an individual faculty member may be paid. Each department develops its own practice plan, in negotiation with the Dean's office. Individual salaries are recommended by the department chairman and approved by the Dean. (A Type "C" Plan)

## Appendix H

An Analysis of the Report by the Legislative Analyst

## AN ANALYSIS OF THE REPORT BY THE LEGISLATIVE ANALYST

In his Analysis of the Budget Bill, 1979-80, the Legislative Analyst included a lengthy section on the subject of faculty salaries and commented extensively on the Commission's preliminary report on the same subject, published in December 1978. The Commission's report indicated that current faculty salaries at the University of California and the California State University and Colleges, when compared with salaries for their comparison institutions, would require increases of 12.15 percent and 8.82 percent, respectively, for 1979-80 in order to achieve parity. The Analyst's statements supported a contrary position and offered data to show that, in his view, salaries paid to faculty at the University of California and the California State University and Colleges were quite favorable to those paid to faculty in other states.

While no formal conclusions or recommendations were made, the Analyst's view was so markedly different from that offered by both of the four-year segments, and by the Commission in its preliminary report, that an analysis of the data presented by the Analyst appears to be in order.

On page 1393 of the Analysis, the comment is made that "the [Commission's] report compares California faculty salaries to those in a selected group of postsecondary education institutions. These institutions are selected on the basis of a functional classification system developed by the American Association of University Professors (AAUP)." Since this comment sets the stage for much of the subsequent discussion, and since it is in error, a clarification of how comparison institutions are actually selected is necessary.

The comparison institutions used by the Commission for the University and the State University are not currently selected on the basis of the AAUP categorizations, although there was a time (1970-71 through 1972-73) when those for the State University were. In the entire history of the comparison methodology, however, the AAUP categories have never been employed for the University of California.

Dating back to the origin of the Master Plan for Higher Education in California, 1960-1975, it has been consistent public policy that the University of California should be among the first rank of institutions nationally, a status that has been consistently maintained and justified over the years. It is clear that by its admission requirements, advanced degrees granted, faculty awards, curricular diversity, faculty qualifications, and national recognition, the University of California has earned its reputation as one of a select group of the most prestigious educational establishments in the nation and, indeed, the world. For this reason, it is difficult to

compare the University with all of the colleges and universities which fall within the minimum standards necessary to qualify as one of the AAUP's Category I institutions. To illustrate, qualification for Category I is based solely on the fact that an institution has granted a minimum of fifteen earned doctorates per year for the most recent three years of the survey in at least three nonrelated fields. During the 1976-77 academic year, the University granted the following number of doctorates in the specified number of fields shown below:

<u>Campus</u>	<u>Earned Doctorates Granted</u>	<u>Number of Disciplines</u>
Berkeley	754	20
Davis	401	14
Irvine	154	12
Los Angeles	642	17
Riverside	88	9
San Diego	208	11
San Francisco	353	9
Santa Barbara	153	10
Santa Cruz	<u>35</u>	<u>6</u>
Total	2,788	26*
Average	309.8	12

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\* Unduplicated total

It is appropriate that the University's comparison institutions be equally distinguished, a principle that has been maintained throughout the history of the salary reports, including the present one.

The list of comparison institutions currently in use for the California State University and Colleges also bears no necessary relationship to the AAUP categories. In the three years noted above (1970-71--1972-73), however, the AAUP's Category I list was employed as the comparison base.

In 1974 the Commission established a special committee of its members to consider the entire reporting procedure for determining faculty salary increases, including a consideration of whether comparison institutions should be used in any methodology. After deliberating for several months, the committee determined that the methodology then in use, a methodology utilizing comparison institutions, should be continued, with the list of comparison institutions for the University to remain unchanged.

Those for the State University were more difficult to select. In the strictest sense, there are no institutions in the United States that are directly comparable, since the State University is not allowed to offer the doctorate. As a result, the Commission committee formed an advisory group consisting of representatives from the four-year segments, the Department of Finance, the Legislative Analyst's Office, and Commission staff. The committee was charged with establishing criteria for selecting comparison institutions for the State University and from these, a comparison group. Criteria were subsequently approved by the Commission, the major elements of which are shown below. (A complete list of the criteria are shown in Appendix C. The comparison institutions for the State University are shown in Appendix D.)

#### Criteria for Selecting Comparison Institutions

1. Comparison institutions should be large and offer both undergraduate and graduate instruction, excluding the following:
  - a. Institutions with less than 300 faculty members;
  - b. The top twenty doctorate degree granting institutions in the nation (these institutions awarded nearly half of all doctoral degrees awarded in the United States between 1959-60 and 1968-69);
  - c. Community Colleges and colleges without graduate programs;
  - d. Institutions staffed with religious faculty;
2. Comparison institutions should be in states which support their institutions at a level generally comparable to the support provided in California;
3. Comparison institutions should be among the largest institutions with graduate programs in the country (At the time the list was developed, the State University had nine of the top twenty such institutions.); and

4. Comparison institutions should not include any that are used for the University of California.

In support of his view that " . . . California faculty--particularly those in the University of California system--are receiving an extremely high level of support from the taxpayers of California that compares most favorably with faculty in other states," the Analyst offers a review of four indices:

1. The current year (1978-79) salary situation;
2. Actual 1977-78 salaries paid at comparable public institutions;
3. Actual 1977-78 salaries paid at the comparable eight institutions when ranked by campus with the University of California; and
4. The patterns of faculty transfer to other institutions.

In his comments, the Analyst advises the reader to bear in mind that the Commission projects salaries into the next budget year and that it "hides salary differences at individual ranks" by using an all-ranks average. He goes on to state that, "If we examine the estimated current year data (1978-79) by rank, we see that there is not a great disparity in the salaries paid, particularly at the lower associate and assistant professor levels." To support this statement, the Analyst presents the following Tables 5 and 6<sup>1</sup> which show that, in 1978-79, Professors at the University lag behind their comparison group by 7.6 percent, Associate Professors by 5.0 percent, and Assistant Professors by 1.2 percent. Comparable figures for the State University in Table 6 are 4.8 percent, 3.3 percent, and 1.6 percent, respectively. All data for both tables, except for the column labeled "Comparison Group Lag" are taken from the Commission's preliminary December report.

**Table 5**  
**UNIVERSITY OF CALIFORNIA**  
**Percentage Increase in UC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1979-80.**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Equal Weight to Each Comparison Institution)**

<i>Academic Rank</i>	<i>UC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in UC 1978-79 Salaries</i>
Professor .....	\$29,630	\$32,000 (7.6%)	\$33,824	14.15%
Associate Professor .....	20,533	21,608 (5.0%)	23,616	10.14
Assistant Professor .....	16,964	17,163 (1.2%)	18,002	6.12
All Ranks Average .....	\$24,573 *		\$27,670 *	12.15

\* Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor 2,557 66- Associate Professor 1,141.58; Assistant Professor 1,031.26 Total staff 4,730.80

1. Tables 5 and 6, Analysis of the Budget Bill, 1979-80, page 1396.



Table 6  
**CALIFORNIA STATE UNIVERSITY AND COLLEGES**  
**Percentage Increase in CSUC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1978-79.**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Weighted by Total Faculty by Rank in All Comparison Institutions)**

<i>Academic Rank</i>	<i>CSUC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in CSUC 1978-79 Salaries</i>
Professor .....	\$26,399	\$27,718 (4.8%)	\$28,220	10.68%
Associate Professor .....	20,334	21,081 (3.3%)	22,125	8.86
Assistant Professor .....	16,668	16,930 (1.6%)	17,772	7.50
Instructor .....	14,509		14,171	-2.33
All Rank Average .....	\$22,165 *		\$24,232 *	9.32%
Less Turnover and Promotions .....			-111	-0.50
Adjusted Total .....			\$4,121	8.62

\* Based on CSUC 1977-78 staffing: Professor 5,101, Associate Professor 3,534; Assistant Professor 2,464; Instructor 203. Staff Total 11,322.

First, with respect to projecting salaries into the next budget year, it should be remembered that the Analysis is directed to that budget year, which is the one now under consideration by the Legislature. Secondly, there should be no concern that the Commission is "hiding" figures by using an all-ranks average; individual rank-by-rank figures have been included as an appendix in every salary report the Commission has published.

A few words are also appropriate to explain exactly what an "all-ranks average" is and why it is employed. It is a weighted average used as a computational tool for determining the amount of money necessary to produce a specified percentage increase for all three professional ranks (four ranks if that of Instructor is included). In order for the Governor and the Legislature to appropriate funds for a specified percentage increase, it is necessary to compare a single figure with another single figure. That is the function of the all-ranks average and it would not be possible to make a single percentage appropriation without it.

Concerning Tables 5 and 6 in the Analyst's report, it should be noted that the percentage lags indicated are produced by an inappropriate method. First, at the time the Analyst's report was published, current-year figures (1978-79) for the comparison group were not available. Therefore, the figures published as current-year salaries for the comparison institutions were not the actual averages but only estimates, a fact which was not noted. In addition, if the Analyst had used the same divisor employed by the Commission to show the percentage increases required for parity in 1979-80, his estimates of lag in the current year would have been greater than the amounts he reported. This is shown on the following page.

<u>Academic Rank</u>	<u>Lag Reported by the Legislative Analyst</u>	<u>Lag as Computed by Commission Staff</u>
University of California		
Professor	7.6%	8.2%
Associate Professor	5.0	5.2
Assistant Professor	1.2	1.2
California State University and Colleges		
Professor	4.8%	5.0%
Associate Professor	3.3	3.4
Assistant Professor	1.6	1.6

Actual current-year salaries for the comparison institutions are now available, and it may be useful to compare them with those being paid at the University and the State University.

ACTUAL CURRENT-YEAR FACULTY SALARIES  
FOR THE UNIVERSITY OF CALIFORNIA, THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES,  
AND THEIR COMPARISON INSTITUTIONS  
1978-79

<u>Academic Rank</u>	<u>UC/CSUC Salaries</u>	<u>Comparison Insti- tution Salaries</u>	<u>Difference</u>
University of California			
Professor	\$29,630	\$32,383	9.3%
Associate Professor	20,533	21,943	6.9
Assistant Professor	16,964	17,447	2.9
California State University and Colleges			
Professor	\$26,399	\$27,813	5.4%
Associate Professor	20,324	21,227	4.4
Assistant Professor	16,668	17,058	2.3

The remainder of the Analyst's report on faculty salaries is primarily concerned with the University of California. Table 7 of the Analysis<sup>2</sup> is shown below. In the table, the salaries paid at various institutions across the country in 1977-78 are compared with those at the University.

Table 7  
UC Faculty Compared to Major  
Public Institutions of Comparable Function  
1977-78 AAUP Data  
(dollars in thousands)

Institution	Professor		Associate Professor		Assistant Professor		All	
	Number	Salary	Number	Salary	Number	Salary	Number	Salary
<b>California</b>								
University of California (All) .....	2,589	\$29.5	1,257	\$20.6	1,186	\$17.1	5,032 <sup>b</sup>	\$24.4
Percent .....	51.5%		25.0%		23.5%		100%	
<b>New York</b>								
Albany .....	232	29.7	211	21.3	200	16.1	643	
Binghamton .....	141	29.7	138	21.7	115	15.7	394	
Buffalo .....	309	30.8	308	21.4	188	16.2	805	
Stoney Brook .....	233	30.7	183	21.6	134	15.6	550	
All .....	915	\$30.3	840	\$21.5	637	\$15.9	2,392	\$23.4
Percent .....	38.3%		33.1%		26.6%		100%	
<b>Michigan</b>								
MSU .....	921	26.4	586	20.7	448	17.1	1,955	
UM .....	929	29.7	392	21.3	340	17.0	1,661	
Wayne St. ....	333	28.8	302	21.9	387	16.6	1,022	
West. M. ....	235	24.4	301	18.6	237	15.4	773	
All .....	2,418	\$27.8	1,581	\$20.7	1,412	\$16.7	5,351	\$22.9
Percent .....	45.2%		28.4%		26.4%		100%	
<b>Wisconsin</b>								
Madison .....	784	26.7	259	19.2	284	16.6	1,327	
Milwaukee .....	237	25.3	238	19.4	232	16.7	697	
All .....	1,021	\$26.7	497	\$19.3	516	\$16.6	2,034	\$22.3
Percent .....	50.4%		24.1%		25.3%		100%	
<b>Illinois</b>								
Urbana .....	957	28.2	590	19.9	476	16.6	2,023	
Chi. Circle .....	250	27.4	300	20.0	285	16.1	835	
All .....	1,207	\$28.0	890	\$19.9	761	\$16.4	2,858	\$22.4
Percent .....	48.4%		31.2%		26.8%		100%	
<b>Texas</b>								
Austin .....	694	\$28.1	438	\$20.3	553	\$16.7	1,615	\$22.1
Percent .....	38.6%		27.1%		34.3%		100%	
<b>Harvard<sup>a</sup></b>								
.....	512	\$33.7	94	\$20.9	219	\$16.7	825	\$27.7
Percent .....	62%		11.4%		26.6%		100%	
<b>Stanford<sup>a</sup></b>								
.....	450	\$22.2	130	\$21.9	163	\$17.3	743	\$27.2
Percent .....	60.5%		17.5%		22%			

<sup>a</sup> Major private institutions shown for informational purposes.

<sup>b</sup> AAUP data reports more positions than CPEC, however, average salaries are nearly identical.

2. Ibid., page 1397.

First, the table is based on 1977-78 data which are not applicable to the present report. Second, the table includes nine institutions which are not on the University's list of comparison institutions and excludes two that are. As a result, the table shows that the all-ranks average for the University exceeds the all-ranks averages of other groups of institutions by various amounts.

The Analyst explains the reason for this approach is that "The University of California prefers to compare salaries for its entire system only with the salaries paid at the premier campus of other systems." Nevertheless, the Analyst uses the same approach. Four of the institutions listed for Michigan include the University of Michigan, Michigan State University, Wayne State University, and Western Michigan University (the latter two are comparison institutions for the California State University and Colleges), all of which have separate governing boards and which are not part of the same system.

In Wisconsin, the Analyst uses the Madison and Milwaukee campuses of the University of Wisconsin system. While they are part of the same system, it should be noted that Wisconsin combined its university centers with its state colleges into a single governing mechanism, and there is no reasonable basis for comparing the Milwaukee campus with any of the campuses of the University of California.

The only state in which the comparison is valid is New York where the Analyst shows four campuses of the State University of New York system. All are university centers and any or all of them could be used as University of California comparison institutions. However, since they have a single salary schedule, using one is sufficient.

There is one additional problem with Table 7 which may result from a misunderstanding of the function of the all-ranks average. In that table, the Analyst derives all-ranks averages for each group of institutions and compares them to the University of California all-ranks average.

The purpose of an all-ranks average is to generate a figure that will permit the appropriation of a specified amount of money to grant a specified percentage increase in salaries. To do that requires the use of the staffing pattern for the institution to which the money is appropriated, not the institution with which the comparison is made. The following example illustrates the point.

Institutions A and B have the following salary structures:

<u>Institution A</u>	<u>Salary</u>	<u>Number of Faculty</u>
Professor	\$25,000	1,500
Associate Professor	20,000	1,000
Assistant Professor	15,000	500
 Institution B		
Professor	27,500	500
Associate Professor	22,500	1,000
Assistant Professor	17,500	1,500
 All-Ranks Averages		
Institution A	21,667	
Institution B	20,833	

The example shows that Institution B clearly has the higher salaries at each rank, \$2,500 in each case. However, due to the operation of each institution's staffing pattern, Institution A has the higher all-ranks average by a factor of 4.0 percent. By that standard, it would appear that Institution B should receive a 4.0 percent increase in salary *in spite of the fact that it is already ahead of Institution A*. If, however, Institution A's staffing pattern is applied to Institution B, the truth emerges: Institution B is actually ahead of Institution A by 11.5 percent, *not the other way around*. It should be also noted that the procedure works just as well in reverse (i.e., if Institution B is the institution for which the comparison is being made) and that the size of the faculty has no effect on the procedure, since both institutions have the same number of faculty.

Applying this to the case at hand produces similar results. If the University of California's staffing pattern is used for the various states listed in Table 7 of the Analysis, the following results:

<u>State</u>	<u>All-Ranks Averages</u>	
	<u>Analyst's Report</u>	<u>As Adjusted for UC Staffing Pattern</u>
California (UC)	\$24,400	\$24,400
New York	23,400	24,700
Michigan	22,900	23,400
Wisconsin	22,300	22,500
Illinois	22,400	23,200
Texas	22,100	23,500
Harvard	27,700	26,500
Stanford	27,200	26,200

What the table shows is that the University of California was actually behind New York State instead of ahead of it, and that the difference in the other states is not as great as it appears. Further, it also shows that the University is not as far behind Harvard and Stanford as the Analyst indicates.

The remainder of the Analyst's report is primarily concerned with a comparison of salaries at individual University of California campuses with those at individual campuses of the comparison group and with other institutions. From this, someone unfamiliar with the salary process might conclude that faculty at one campus of the University are paid at higher (or lower) rates than those at other campuses. Such a conclusion would be incorrect since the University has a single salary schedule for all campuses, based on assumption that faculty on all of the campuses are equal in all respects. The fact that the average salaries are not the same on all campuses is not evidence of different rates of pay but of differences in staffing patterns (the number of individuals within each of the academic ranks), with the higher salaries generally reflecting the maturity of the campus. In general, the more mature the campus, the greater the number of faculty in the higher ranks, a situation which has the effect of increasing the all-ranks average.

APPENDIX I

Letter From Vice President Kleingartner to Director Callan

# UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

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Office of the Vice President--  
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

November 16, 1978

Patrick M. Callan  
California Postsecondary Education Commission  
1020 - 12th Street  
Sacramento, California 95814

Dear Mr. Callan:

I am submitting herewith Tables 1 and 2 (as amended) for your use in the full report of the Commission on Faculty Salaries and Fringe Benefits. You will note that the amended tables take account of the effect of estimated separations and new appointments on the staffing pattern and on average salaries by rank for 1979-1980; they do not take account of the effect of projected merit increases and promotions.

The difficulties with the figures in the original tables came to our attention at approximately the same time that they were perceived by Mr. Storey of your staff. To put the matter briefly, it became obvious that our projections of the 1979-1980 staffing pattern were in error. Moreover it was quickly established that the error arose from our projections of the effect of merit increases and promotions. Since merit increases tend to increase average salaries in each rank and promotions decrease average salaries in each rank, it is essential to review the comparative consequences of these two separate factors for the final computations. To our regret, we have found that we cannot accomplish that review in time to meet the deadline for the full report of the Commission. Hence, we have submitted the amended tables described above for your use in that report. We will, of course, have completed our analysis of the merit increase and promotion issue in the very near future and will reflect the necessary corrections in the submission for the Spring report of the Commission. I greatly regret this difficulty and regret any inconvenience it may have caused.

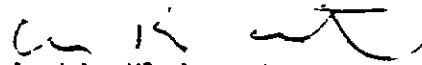
I would like to comment, however, on some features of the amended tables. There is a real sense in which the first three figures in the last line of Table 1 (amended) speak eloquently of our need. There one may observe that the University of California falls behind the mean of the comparison institutions by approximately 14 percent, 10 percent and 6 percent at the ranks of Professor, Associate Professor and Assistant Professor respectively. Those are important figures. To be sure, the all ranks average figure is required to establish the cost of adjustments necessary to achieve parity. A more definitive figure for that purpose will appear in our Spring submission when we have completed the



analysis noted earlier in this letter. Incidentally it is interesting to note that in 1977-1978, the most recent year for which AAUP data are available, six of our eight comparison institutions were ahead of the University of California at the Professorship. Indeed, one can count in the September 1978 issue of the AAUP Bulletin, some twenty outstanding American universities including some one might think in a lesser category, which led U.C. at the level of Professor in 1977-1978.

I want to thank you and your staff for your understanding cooperation in respect to the materials for the Fall report. We shall shortly have our house in order in that respect.

Sincerely,



Archie Kleingartner  
Vice President

Attachments

cc: President Saxon  
Vice President Fretter  
Associate Vice President Jenkins  
Dr. Washburn  
William Storey

APPENDIX J

University of California Supplementary Information

THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS

TABLE A-3  
AVERAGE UC FACULTY FRINGE BENEFITS  
(Employer Contributions)  
1978-79

RETIREMENT/FICA <sup>1</sup>				18.75% of salary
UNEMPLOYMENT INSURANCE				0.32% of salary
WORKMEN'S COMPENSATION				1.25% of salary
HEALTH INSURANCE -- ANNUITANTS				0.42% of salary
HEALTH INSURANCE	\$622.40			
LIFE INSURANCE	16.20			
NON-INDUSTRIAL DISABILITY INSURANCE	<u>54.00</u>			
	<u>TOTAL</u>	\$692.60	plus	<u>20.74% of salary</u>

SOURCE: Office of Budgetary Planning

THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS

Table A-4

Average Comparison Institution Salaries

Average Comparison Institution Salaries

<u>Institution</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
		<u>1977-78</u>	
A	\$32,210 (3)	\$21,847 (1)	\$17,488 (1)
B	26,666 (8)	19,296 (8)	16,473 (4)
C	30,815 (4)	21,358 (2)	16,104 (5)
D	32,307 (2)	20,540 (5)	15,355 (8)
E	29,270 (6)	20,888 (4)	16,597 (3)
F	30,179 (5)	20,493 (6)	16,101 (6)
G	27,980 (7)	19,815 (7)	16,071 (7)
H	33,661 (1)	20,928 (3)	16,733 (2)

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Average	\$30,386	\$20,646	\$16,365
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		<u>1972-73</u>	
A	\$23,318 (4)	\$16,789 (3)	\$13,330 (2)
B	21,169 (8)	16,100 (5)	12,958 (4)
C	25,309 (2)	18,073 (1)	13,808 (1)
D	25,487 (1)	15,622 (7)	11,929 (8)
E	22,287 (6)	16,349 (4)	13,319 (3)
F	23,017 (5)	15,958 (6)	12,605 (6)
G	21,559 (7)	15,619 (8)	12,909 (5)
H	23,800 (3)	17,000 (2)	12,300 (7)

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Average	\$23,243	\$16,439	\$12,895
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Note: Confidential data received from comparison institutions include 9- and 11-month full-time salaries for all schools and colleges except health sciences.

UNIVERSITY OF CALIFORNIA

SUPPLEMENTARY TABLES

TABLE B-1

FULL-TIME FACULTY BY RANK 1978-79 (actual)<sup>a</sup>

<u>Rank</u>	<u>FTE</u>	<u>Percent</u>
Professor	2,593.56	55.70%
Associate Professor	1,131.38	24.30%
Assistant Professor	931.24	20.00%
Instructor	<u>0.00</u>	<u>0.00%</u>
	4,656.18	100.00%

<sup>a</sup>Full-time faculty by rank, by budgeted FTE. General campus, 9- and 11-months basis appointments. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

TABLE B-2  
NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1978

9-Months	With Doctorate		Without Doctorate		Total	
	N	%	N	%	N	%
<u>Professors</u>						
New	22	78.6	6	21.4	28	100.00
Continuing	2,348	88.3	312	11.7	2,660	100.00
Total	2,370	88.2	318	11.8	2,688	100.00
<u>Associate Professors</u>						
New	17	100.0	-	100.0	17	100.00
Continuing	1,098	89.8	125	10.2	1,223	100.00
Total	1,115	89.9	125	10.1	1,240	100.00
<u>Assistant Professors</u>						
New	103	89.6	12	10.4	115	100.00
Continuing	798	75.3	262	24.7	1,060	100.00
Total	901	76.7	274	23.3	1,175	100.00
<u>Instructors</u>						
New	-	0.0	-	0.0	-	100.00
Continuing	1	50.0	1	50.0	2	100.00
Total	1	50.0	1	50.0	2	100.00
All Ranks	4,387	85.9	718	14.1	5,105	100.00
Lecturers	513	45.5	641	55.5	1,154	100.00

<sup>a</sup> Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1 which are computed on an FTE basis.

<sup>b</sup> Includes regular ranks titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences, Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source Bio-bibliographical Services (Bio-81b) records on UC faculty

TABLE B-2 (continued)  
NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1978

<u>11-Months</u>	<u>With Doctorate</u>		<u>Without Doctorate</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Professors</u>						
New	2	100.0		0.0	2	100.00
Continuing	510	96.2	20	3.8	530	100.00
Total	512	96.2	20	3.8	532	100.00
<u>Associate Professors</u>						
New	2	100.0		0.0	2	100.00
Continuing	114	95.8	5	4.2	119	100.00
Total	116	96.0	5	4.0	121	100.00
<u>Assistant Professor</u>						
New	12	85.7	2	14.3	14	100.00
Continuing	123	96.1	5	3.9	128	100.00
Total	135	95.1	7	4.9	142	100.00
<u>Instructor</u>						
New	-	0.0	-	0.0	-	100.00
Continuing	-	0.0	-	0.0	-	100.00
Total	-	0.0	-	0.0	-	100.00
All Ranks	763	96.0	32	0.4	795	100.00
Lecturers	39	76.5	12	23.5	51	100.00

<sup>a</sup>Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1, which are computed on an FTE basis.

<sup>b</sup>Includes regular rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Bio-bibliographical Services (Bio-Bib) records on UC faculty

TABLE B-3  
NUMBER<sup>a</sup> AND PERCENT OF FULL-TIME FACULTY<sup>b</sup> WITH  
TENURE OR SECURITY OF EMPLOYMENT 1978-79

	<u>Total Number of Faculty</u>	<u>Faculty with Tenure or Security of Employment</u>	
		<u>N</u>	<u>%</u>
<u>9-Months</u>			
Professor	2,857	2,688	94.1
Associate Professor	1,335	1,240	92.9
Assistant Professor	1,421	-	-
Instructor	79	-	-
(All Ranks)	(5,692)	(3,928)	(69.1)
Lecturer	1,154	111	9.6
<u>11-Months</u>			
Professor	540	532	98.5
Associate Professor	125	121	96.8
Assistant Professor	146	-	-
Instructor	-	-	-
(All Ranks)	(711)	(653)	(91.8)
Lecturer	51	5	9.8

<sup>a</sup> Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1, which are computed on an FTE basis.

<sup>b</sup> Includes regular and irregular (Acting, Visiting, In-Residence, Adjunct) rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine

Source: Bio-bibliographical Services (Bio-Bib) records on UC faculty



TABLE B-4  
TERMINATIONS OF FULL-TIME FACULTY 1977-78<sup>a</sup>

Reason for Termination	Professor		Associate Professor		Assistant Professor		Instructor	
	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.
Death & Retirement	70	10	4	-	-	-	-	-
Faculty Position in Another Institution	14	-	6	1	14	2	-	-
Return to Graduate Study	-	-	-	-	1	-	-	-
Change in Status	1	-	3	-	1	-	-	-
Expiration of Appointment	-	-	-	-	21	-	-	-
Other Employment	4	1	4	-	20	2	-	-
Unknown	-	-	1	-	1	-	-	-
TOTAL	89	11	18	1	58	4	-	-

<sup>a</sup>Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Logs

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TABLE B-5  
ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1978-79

Institution	Professor		Associate Professor		Assistant Professor		Instructor	
	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.
Brown University	1	-	-	-	-	-	-	-
Bucknell University	-	-	-	-	-	1	-	-
CSUC-Pomona	-	-	-	-	1	-	-	-
CSUC-San Francisco	-	-	-	-	1	-	-	-
CSUC-San Jose	-	-	-	-	1	-	-	-
Case Western Reserve U.	-	-	-	-	1	-	-	-
Univ/Chicago	-	-	-	-	2	-	-	-
Colgate University	-	-	-	-	1	-	-	-
Univ/Colorado	-	-	-	-	1	-	-	-
Cornell University	1	-	-	-	-	-	-	-
CUNY	-	-	1	-	-	-	-	-
Univ/Delaware	-	-	1	-	-	-	-	-
Duke University	1	-	-	-	-	-	-	-
Fordham University	-	-	-	-	1	-	-	-
Harvard	1	-	1	-	3	-	-	-
Univ/Illinois	1	-	-	-	1	-	-	-
Indiana University	1	-	1	-	1	-	-	-
Johns Hopkins Univ	-	-	-	-	3	-	-	-
Lewis & Clarke College	-	-	-	-	1	-	-	-
Univ/Maryland	1	-	-	-	-	-	-	-
MIT	2	-	-	-	-	-	-	-
McGill University	-	-	-	1	-	-	-	-
Mercy College	-	-	-	-	1	-	-	-
Miami Univ/Ohio	-	-	1	-	-	-	-	-
Univ/Michigan	-	-	1	-	3	-	-	-
Michigan State Univ	-	-	-	-	-	1	-	-
Univ/Missouri	-	-	-	-	2	1	-	-
NW Missouri State U	-	-	-	-	-	1	-	-
Univ/New Mexico	-	-	-	-	1	-	-	-
N Carolina Sch/Arts	-	-	-	-	1	-	-	-
Northwestern Univ	2	-	-	-	1	-	-	-

ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1978-79

<u>Institution</u>	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
Ohio State Univ	-	-	-	-	1	-	-	-
Univ/Oregon	-	-	-	-	1	-	-	-
Univ/Pennsylvania	-	-	1	-	2	-	-	-
Pennsylvania State U.	-	-	-	-	1	-	-	-
Princeton	-	-	1	-	3	-	-	-
Purdue	-	-	-	-	2	-	-	-
Rockefeller Univ	1	-	-	-	-	-	-	-
Rutgers	-	-	-	-	1	-	-	-
Stanford	-	-	-	-	2	-	-	-
SUNY-Buffalo	2	-	-	-	-	-	-	-
SUNY-Purchase	1	-	-	-	-	-	-	-
SUNY-Stonybrook	1	-	-	-	1	-	-	-
Univ/Texas	-	-	-	-	1	-	-	-
Tufts	-	-	-	-	1	-	-	-
Tyler Sch/Arts	1	-	-	-	-	-	-	-
USC	-	-	-	-	2	-	-	-
Utah State Univ	-	-	-	-	1	-	-	-
Virginia Polytech Inst.-	-	-	-	-	-	1	-	-
Washington State Univ.	-	-	-	-	1	-	-	-
Wesleyan University	1	-	-	-	-	-	-	-
Yale	-	-	2	-	2	-	-	-
<u>Subtotal</u>	<u>18</u>	<u>-</u>	<u>10</u>	<u>1</u>	<u>49</u>	<u>5</u>	<u>-</u>	<u>-</u>
UC	1	2	3	1	28	1	-	-
UC-Regularization	2	-	3	-	9	1	-	-
<u>Other Sources</u>								
Foreign	4	-	-	-	6	1	-	-
Graduate Study	-	-	-	-	15	3	-	-
Other Employment	2	-	1	-	8	2	-	-
Government	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>Subtotal</u>	<u>10</u>	<u>2</u>	<u>7</u>	<u>1</u>	<u>66</u>	<u>9</u>	<u>-</u>	<u>-</u>
<u>TOTAL</u>	<u>28</u>	<u>2</u>	<u>17</u>	<u>2</u>	<u>115</u>	<u>14</u>	<u>-</u>	<u>-</u>

<sup>a</sup>Includes full-time regular rank titles only Gives origins of new faculty shown in Table B-2. Excludes health sciences.

TABLE B-6

DESTINATION OF FACULTY WHO VOLUNTARILY RESIGN  
1977-78<sup>a</sup>

<u>Institution</u>	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
Boston University	1	-	-	-	-	-	-	-
Calif. Inst/Arts	-	-	1	-	-	-	-	-
Cal Tech	-	-	-	-	1	-	-	-
CSUC-Pomona	-	-	-	-	1	-	-	-
CSUC-Stanislaus	-	-	-	-	-	1	-	-
Cornell	1	-	-	-	-	-	-	-
Duke University	1	-	-	-	-	-	-	-
Harvard	1	-	-	-	2	-	-	-
Harvey Mudd College	-	-	1	-	-	-	-	-
Univ/Illinois	1	-	-	-	-	-	-	-
Indiana Univ	1	-	-	-	1	-	-	-
Johns Hopkins	1	-	-	-	-	-	-	-
Univ/Michigan	1	-	-	-	-	-	-	-
Middlebury College	-	-	1	-	-	-	-	-
Ohio State Univ	-	-	-	-	1	-	-	-
Penn State Univ	-	-	-	-	1	-	-	-
Princeton	1	-	-	-	-	-	-	-
Univ/San Francisco	1	-	-	-	-	-	-	-
Stanford	2	-	-	-	1	-	-	-
Univ/Utah	-	-	1	-	-	-	-	-
Univ/Texas	-	-	-	-	2	-	-	-
Texas A & M	-	-	1	-	-	-	-	-
Virginia Poly Inst	1	-	-	-	-	-	-	-
Univ/Washington	-	-	-	-	-	1	-	-
Washington State Univ	-	-	-	-	1	-	-	-
Washington & Lee Univ	1	-	-	-	-	-	-	-
Wesleyan Univ	-	-	1	-	-	-	-	-
Univ/Wisconsin	-	-	-	-	2	-	-	-

[continued on next page]

TABLE B-6 (continued)  
DESTINATION OF FACULTY WHO VOLUNTARILY RESIGN  
1977-78<sup>a</sup>

	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
<u>Other</u>								
Foreign Institutions	-	-	-	1	1	-	-	-
Government	-	-	2	-	2	-	-	-
Change in Status	1	-	3	-	1	-	-	-
Personal	1	-	1	-	8	2	-	-
Other Employment	3	1	1	-	10	-	-	-
Graduate Study	-	-	-	-	1	-	-	-
Unknown	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	19	1	14	1	37	4	-	-

<sup>a</sup>Includes full-time regular-rank titles only. Gives destinations (other than death and retirement and expiration of appointment) of terminating faculty shown in Table B-4. Excludes health sciences.

Source: Academic Personnel Logs

VP--A&SPR: 10/78 bln

TABLE B-VII

FACULTY PROMOTIONAL PATTERNS: 1976-77 and 1977-78<sup>a</sup>

	<u>Promoted from</u> <u>Asst Professor to Assoc Professor</u>			<u>Promoted from</u> <u>Assoc Professor to Professor</u>		
	<u>Total</u>	<u>9-mos</u>	<u>11-mos</u>	<u>Total</u>	<u>9-mos</u>	<u>11-mos</u>
1976-77	169	148	21	158	150	8
1977-78	164	146	18	151	133	18

<sup>a</sup>Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Logs

VP--A&SPR: 10/78 bln

APPENDIX K

California State University and Colleges Supplemental Information

Office of the Chancellor  
The California State University and Colleges

Average Cost of CSUC Benefits  
Fall 1978 (per full-time faculty)

Retirement (16.98% of salary)	\$3,804
Social Security	915
Medical Insurance	735
Unemployment Insurance	68
Workers Compensation	<u>22</u>
	\$5,544

3/20/79



Office of the Chancellor  
The California State University and Colleges

New Full-time Faculty  
Appointments Effective  
Fall 1978

	<u>Number</u>	<u>No. w/Doctorate</u>	
Professor	52	42	80.8
Associate Professor	106	71	67.0
Assistant Professor	370	185	50.0
Instructor	47	2	4.3
	<u>575</u>	<u>300</u>	<u>52.2%</u>

3/20/79

Office of the Chancellor  
The California State University and Colleges

CSUC  
Comparison Institutions Data

Fall 1978 Data \*

Rank	Number	<u>Expenditures</u>		<u>Average</u>	
		Salaries	Benefits	Salary	Benefits
Professor	5,661	\$157,447,694	\$26,656,469	\$27,813	4,709
Associate Professor	4,838	102,697,762	18,417,755	21,227	3,807
Assistant Professor	4,904	83,654,210	15,174,330	17,058	3,094
Instructor	1,293	17,329,989	3,094,427	13,403	2,393

Fall 1973 Data

Rank	Number	<u>Expenditures</u>		<u>Average</u>	
		Salaries	Benefits	Salary	Benefits
Professor	4,867	\$102,098,059	\$14,589,740	\$20,978	\$2,998
Associate Professor	4,288	69,102,093	10,338,591	16,115	2,411
Assistant Professor	5,059	66,899,526	10,177,004	13,224	2,012
Instructor	1,560	15,947,849	2,425,323	10,223	1,555

\* All Institutions Reporting

3/19/79

Office of the Chancellor  
The California State University and Colleges

CSUC Full-Time Faculty  
with Tenure, with Doctorate  
Fall, 1978

	Headcount	No. w/Doctorate #	No. w/Tenure #	%
Professor	5,489	4,515	5,311	96.8%
Associate Professor	3,438	2,432	2,939	85.5%
Assistant Professor	2,221	1,030	395	17.8%
Instructor	218	8	-	-
TOTAL	11,366	7,985	8,645	76.1%

3/19/79

Office of the Chancellor  
The California State University and Colleges

CSUC Faculty Promotion  
Effective:

	Fall 1975	Fall 1976	Fall 1977
To:			
Professor	453	475	492
Associate Professor	509	440	389
Assistant Professor	10	7	8
	<hr/> 972	<hr/> 922	<hr/> 889

3/20/79

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BRIEF

Policy Development Committee  
Tab 2: Item B  
June 16, 1980

Agenda Title: Addendum to Faculty Salaries in California Public Higher Education, 1980-81: California Community Colleges

Action Item

Summary:

In April, the Commission issued its Final Report on Faculty Salaries in California Public Higher Education, 1980-81. That report contained analyses of faculty salaries and fringe benefits at the University of California and the California State University and Colleges, both of which are prepared annually in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session. The report was to have included a discussion of faculty salaries in the California Community Colleges, but the necessary data was not received in time. These data are presented now, in the agenda item which follows, as an Addendum to the April Report.

Following an introduction which provides background on the Commission's study of Community College faculty salaries, the Addendum. (1) describes Community College salaries and salary structures; (2) compares faculty salaries in the Community Colleges with those in the University and State University; (3) discusses part-time faculty in the Community Colleges; and (4) offers conclusions, and two recommendations regarding data submission by the Chancellor's Office.

Recommended Action:

Adoption of the proposed resolution.

California Postsecondary  
Education Commission

Proposed Resolution

Relating to the Addendum to  
Faculty Salaries in California Public Higher Education, 1980-81:  
California Community Colleges

- WHEREAS, Pursuant to Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the California Postsecondary Education Commission is required to submit to the Governor and the Legislature an annual report on faculty salaries at the University of California and the California State University and Colleges, and
- WHEREAS, The Legislative Analyst has also requested that the salary report include information on the salaries paid to faculty in the California Community Colleges, and
- WHEREAS, Due to delays in obtaining appropriate and relevant data with regard to Community College faculty, it was not possible to include the Community College section in the report, Final Annual Report on Faculty Salaries in California Public Higher Education, 1980-81, and
- WHEREAS, The necessary information on Community College faculty has now become available, and
- WHEREAS, This Addendum describes Community College faculty salaries and salary structures, compares faculty salaries in the Community Colleges with those in the University and the State University, discusses part-time faculty in the Community Colleges, and offers conclusions and two recommendations regarding data submission by the Chancellor's Office; now, therefore, be it
- RESOLVED, That the California Postsecondary Education Commission adopts the report entitled, Addendum to Faculty Salaries in California Public Higher Education, 1980-81: California Community Colleges, and directs that it be transmitted to the Governor, the Legislature, the Department of Finance, the Office of the Legislative Analyst, and the governing boards of the three public segments.

ADDENDUM TO FACULTY SALARIES IN CALIFORNIA PUBLIC HIGHER EDUCATION,  
1980-81. CALIFORNIA COMMUNITY COLLEGES

INTRODUCTION

In April, the Commission issued its Final Report on Faculty Salaries in California Public Higher Education, 1980-81. That report contained analyses of faculty salaries and fringe benefits at the University of California and the California State University and Colleges, both of which are prepared annually in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session. The report was to have included a discussion of faculty salaries in the California Community Colleges, but the necessary data was not received in time. These data are presented now as an Addendum to the April Report.

In his Analysis of the Budget Bill, 1979-80, the Legislative Analyst recommended that the Commission include information on the Community Colleges in its annual reports on faculty salaries. In response to that recommendation, the Commission published a preliminary analysis of Community College faculty salaries in last year's final report, one which considered data from the 1977-78 fiscal year. No data were presented for 1978-79 (the then current year) since the Chancellor's Office of the Community Colleges had abandoned such data collection as part of the cutbacks resulting from Proposition 13.

Subsequently, Commission staff proposed that submission of data on Community College faculty salaries be formalized, and the Legislature appropriated \$15,000 to the Chancellor's Office for that purpose, the amount that office indicated would be needed. In August of last year, a letter was sent to the Chancellor detailing the specific information desired. Commission staff requested that data for 1978-79 be provided by November 1, 1979, and data for 1979-80 by March 1, 1980 (See Appendix A).

As the Chancellor's Office began to collect these data from the districts, it soon became evident that the deadlines could not be met. In part, this was because. (1) the format required for the data was different from that used in prior years, (2) extensive editing of the data was required, and (3) a number of districts were still in the process of negotiating salary contracts. In addition, data on part-time Community College faculty had never before been collected systematically, a fact which created a number of procedural problems common to all new data collection efforts. For all of these reasons it was not possible to incorporate the Community College analysis with the analysis of faculty salaries at the University and the State University as originally intended; however, in subsequent years the analyses of the three public segments will be integrated.

Data for 1978-79 was submitted to the Commission in March of this year with the 1979-80 data arriving in early May. These reports included information in the following categories:

1. Full- and part-time faculty with totals given for headcount faculty (including breakdowns for full-time, full-time with overload assignments, and part-time faculty);
2. Total salaries paid,
3. Percentage salary range increases from the prior year, bonuses, salary ranges, and mean and median salaries;
4. Number of new faculty on both a full- and part-time basis;
5. Number of teaching days;
6. Number of units of average daily attendance (ADA);
7. Number of weekly faculty contact hours (WFCH); and
8. Compensation per WFCH for full-time faculty with overload assignments and for part-time faculty.

In addition, the 1979-80 report included data on administrative salaries. All data were submitted on a district-by-district basis. In some categories, data were incomplete. This was especially true with regard to WFCH totals and bonuses. Complete WFCH totals were reported for fifty-five districts in 1978-79, and for sixty-seven districts for 1979-80. Complete data for both years in this category are available for fifty-five of the seventy Community College districts.

For 1978-79, six districts did not report percentage increases in salary ranges. For 1979-80, fifteen districts fell into this category, a total which has now been reduced to three as a result of calls by Commission staff.

The Community College analysis, unlike that for the University or the State University, does not include comparisons with Community College faculty in other states because of the lack of agreement on suitable comparison states and the unavailability of data for some of the more populous states such as New York.

Although this report contains the same types of comparisons with the four-year segments that were made in the 1979-80 report, it also includes discussions of faculty workload and of part-time faculty that were not previously included. The purpose is to provide information not only on the salaries Community College faculty



receive, but also on the current composition of the faculty and changes in that composition between 1978-79 and 1979-80. Unfortunately, some of these data are not complete. However, it appears that a sufficient number of districts have reported in all categories to provide a reasonably clear picture of the instructional workload and compensation of Community College faculty.

# GENERAL DESCRIPTION OF COMMUNITY COLLEGE SALARIES AND SALARY STRUCTURES

One feature of Community College salary schedules is their variability in the sense that markedly different salaries are paid for faculty members with the same qualifications or achievements. As an example, Table 1 shows the salary structure for a typical Community College district while Table 2 shows the annual salaries paid by ten of the thirty-two districts which have a separate salary range for holders of the doctorate. Eight others have a top salary range that includes the doctorate but to which other avenues of entry are possible, such as the accumulation of a master's degree and sixty additional units. Twenty-seven of the remaining twenty-nine districts that reported do not have a specific range for doctoral faculty but offer bonuses. For 1979-80, these bonuses range from a low of \$500 per year in five districts to a high of \$1,562 in Merced. The average bonus in the twenty-seven districts offering specific bonuses is \$846.

TABLE 1

California Community Colleges (Pasadena Community College District)

Qualifications for Rank

I	Appropriate Credential	IV	BA+90 to 75 With MA or MA+15 to 45
II	Appropriate Credential	V	BA+75 to 90 With MA or MA+30 to 60
III	BA+30 to 75 With MA or MA+15 to 45	VI	Doctorate

STEP	RANK					
	I	II	III	IV	V	VI
1	\$12,326	\$13,188	\$14,051	\$14,914	\$15,777	\$17,502
2	13,188	14,051	14,914	15,777	16,640	18,365
3	14,051	14,914	15,777	16,640	17,502	19,228
4	14,914	15,777	16,640	17,502	18,365	20,091
5	15,777	16,640	17,502	18,365	19,228	20,954
6	16,640	17,502	18,365	19,228	20,091	21,817
7	17,502	18,365	19,228	20,091	20,954	22,679
8	18,365	19,228	20,091	20,954	21,817	23,542
9	19,228	20,091	20,954	21,817	22,679	24,405
10	20,091	20,954	21,817	22,679	23,542	25,268
11	20,091	20,954	22,679	23,542	24,405	26,131
12	20,091	20,954	22,679	23,542	25,268	26,993
13	20,091	20,954	22,679	23,542	25,268	26,993
14	20,091	20,954	22,679	23,542	25,268	26,993
15	20,954	21,817	22,679	24,405	26,131	27,856
16	20,954	21,817	23,542	24,405	26,131	27,856
17	20,954	21,817	23,542	24,405	26,131	27,856
18	21,817	22,679	24,405	25,268	26,993	28,719

TABLE 2

SALARY RANGES FOR TEN COMMUNITY COLLEGE DISTRICTS USING THE  
SALARY CLASSIFICATION OF DOCTORATE

Step	Santa Clarita	West Valley	San Mateo	Yosemite	Hartnell	Sequoias	San Francisco	San Luis Obispo	Marin	Mendocino
1	\$19,230	\$19,149	\$18,922	\$19,313	\$19,175	\$20,350	\$	\$18,514	\$16,290	\$17,000
2	20,040	20,025	19,840	20,099	20,041	21,000	--	19,363	17,034	17,750
3	20,840	21,049	20,757	20,887	20,902	21,650	--	20,199	17,773	18,500
4	21,640	21,924	21,675	21,674	21,764	22,350	--	21,037	18,516	19,250
5	22,440	22,803	22,596	22,461	22,631	23,000	--	21,880	19,255	20,000
6	23,240	23,663	23,509	23,429	23,494	23,650	--	22,726	19,998	20,750
7	24,040	24,703	24,426	24,036	24,365	24,350	--	23,568	20,739	21,500
8	24,850	25,576	25,344	24,824	25,220	25,100	18,048	24,410	21,476	22,250
9	25,640	26,457	26,262	25,611	26,082	25,750	18,924	25,252	22,220	23,000
10	26,440	27,334	27,180	26,339	26,949	26,400	19,800	26,095	22,961	23,750
11	27,250	28,358	28,096	27,185	27,810	27,050	20,676	26,938	23,703	24,500
12	28,050	29,233	29,014	27,973	28,672	27,700	21,552	27,783	24,442	25,250
13	28,840	"	"	28,760	29,538	28,500	22,428	28,622	25,183	--
14	29,650	"	29,932	"	30,401	29,150	23,304	--	"	--
15	35,380	30,109	"	"	--	29,800	24,180	--	"	--
16	--	"	"	"	--	--	25,056	--	25,598	--
17	--	"	30,850	29,547	--	--	25,932	--	"	--
18	--	30,988	"	"	--	--	26,808	--	"	--
19	--	"	"	"	--	--	27,684	--	"	--
20	--	"	"	"	--	--	28,560	--	26,013	--
21	--	31,865	31,766	30,332	--	--	29,436	--	"	--
22	--	"	--	"	--	--	--	--	"	--
23	--	"	--	"	--	--	--	--	"	--
24	--	32,740	--	"	--	--	--	--	26,428	--
25	--	--	--	31,118	--	--	--	--	--	--

The ten districts shown in Table 2 were selected by identifying the two with the highest and lowest top steps, and then taking every third or fourth district in order between them. In this way, a representative sample of districts with doctorate classifications was developed. Clearly, there are some very substantial differences among these districts. Table 3 shows the highest and lowest annual salaries at various steps with the percentage differences between them indicated.

TABLE 3  
COMPARISON OF HIGHEST AND LOWEST SALARIES PAID  
TO HOLDERS OF DOCTORATE DEGREES  
AT TEN CALIFORNIA COMMUNITY COLLEGES  
1979-80

<u>Step</u>	<u>Highest Salary</u>	<u>Lowest Salary</u>	<u>Percentage Difference</u>
1	\$20,350	\$16,290	24.9%
4	22,350	18,516	20.7
7	24,703	20,739	19.1
10	27,300	19,800	37.9
13	29,538	22,428	31.7
16	35,380	25,056	41.2
19	35,380 <sup>a</sup>	25,250	40.1
22	35,380	25,250 <sup>b</sup>	40.1
25	35,380	25,250	40.1

a. The salary at steps 19, 22, and 25 is the same since this district's range ends at the 15th step. Nevertheless, it is still the highest salary paid for a holder of the doctorate at any of the ten colleges mentioned in Table 2.

b. The salary at steps 22 and 25 is the same since this district's range ends at the 12th step. Nevertheless, it is still the lowest salary paid for a holder of the doctorate at any of the ten colleges mentioned in Table 2.

Table 4 shows the mean salaries for all faculty in the Community College system for the three-year period, 1977-78 to 1979-80, as well as the five highest and five lowest paying districts in each of those years. The systemwide means have been weighted by the number of full-time faculty in each district. Where no figure appears next to the name of a particular district, it indicates that the district in question was not one of the five highest or lowest paying for that particular year. The numbers in parenthesis indicate each district's rank for that year.

TABLE 4  
HIGHEST AND LOWEST SALARIES PAID BY  
CALIFORNIA COMMUNITY COLLEGES  
1977-78 TO 1979-80

<u>District</u>	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
San Joaquin Delta	\$24,657 (1)	\$26,419 (1)	\$27,715 (5)
San Mateo	24,420 (2)	---	27,754 (4)
Contra Costa	24,178 (3)	---	28,239 (1)
North Orange	23,763 (4)	26,049 (2)	27,755 (3)
Saddleback	23,748 (5)	---	---
Barstow	---	25,902 (4)	---
Cerritos	---	25,980 (3)	---
San Jose	---	25,830 (5)	---
Foothill-De Anza	---	---	27,919 (2)
Statewide Mean	\$22,467	\$24,209	\$26,355
Antelope Valley	\$19,905 (66)	\$ ---	\$22,028 (68)
Fremont Newark	19,812 (67)	---	22,218 (66)
Cabrillo	19,470 (68)	---	---
Lake Tahoe	19,047 (69)	21,192 (68)	---
Palo Verde	15,528 (70)	16,202 (70)	21,539 (69)
Mt. San Jacinto	---	21,049 (69)	---
Compton	---	21,358 (67)	21,513 (70)
San Francisco	---	21,364 (66)	---
Mendocino	---	---	22,089 (67)
Mean Salaries			
Five Highest	\$24,153	\$26,036	\$27,876
Five Lowest	18,752	20,233	21,877
Percentage Difference	28.8%	28.7%	27.4%

## COMPARISONS AMONG THE CALIFORNIA COMMUNITY COLLEGES, THE UNIVERSITY OF CALIFORNIA, AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

Any analysis of Community College salaries is necessarily complicated by the fact that the system's salary schedules themselves are extraordinarily complex when compared to those at the University and the State University. The latter two systems use a standard class and rank structure, based on a five- to seven-step range within four classifications. Professor, Associate Professor, Assistant Professor, and Instructor. Community Colleges use schedules with as many as nine ranks and thirty steps, although the average is between five and six ranks with approximately nineteen steps. Table 5 shows a comparison of the salary schedules for the University, the State University, and a representative Community College district, in this case, Pasadena.

The requirements for faculty advancement constitute another major difference between the two- and four-year segments. Within both of the university systems, the basic qualification for employment is the Ph D. with advancements in both step and rank determined partially by seniority and partially by individual accomplishment as a faculty member as defined by the segments or campuses involved. In the Community Colleges, advancement is based on the accumulation of units of credit, degrees, and years of services. For example, in the Pasadena District (shown in Table 5), faculty members with teaching credentials and seven years of service earn either \$17,502 or \$18,365 per academic year, assuming they enter at the first step and depending on whether they are at Rank I or Rank II. If they subsequently meet one of the higher qualifications, such as obtaining a master's degree and at least fifteen additional units of work, they then move to either Rank III or Rank IV at the seventh step. If they receive the doctorate degree three years later, they move to Rank VI at the tenth step, and then move an additional step each year until they either leave the district or reach the eighteenth step, whichever occurs first. Advancement is based almost entirely on longevity and the accumulation of degrees and/or units of credit.

Developing figures which show a true comparison between the salaries paid in the Community Colleges and those paid in the four-year public segments is not as easy as it might at first appear, especially when multi-year comparisons are involved. Had all districts reported for each of the three years under consideration, the task would not be difficult but such is not the case. In 1977-78 and 1978-79, sixty-eight districts reported mean salary data, while all seventy districts reported for 1979-80. This leaves a total of sixty-six districts with data for all three years. However, in 1979-80, the Chancellor's Office reported salary increase figures for fifty-five of the seventy districts; therefore, the mean salaries reported for

FACULTY SALARY SCHEDULES FOR THE UNIVERSITY OF CALIFORNIA,  
THE CALIFORNIA STATE UNIVERSITY AND COLLEGES, AND  
THE PASADENA AREA COMMUNITY COLLEGE DISTRICT  
1979-80

-8-

the remaining fifteen districts are essentially the prior year's figures which leads to the conclusion that they should not be included in the overall totals. A similar problem exists for the 1978-79 figures. This leaves a total of fifty-three districts for which complete salary information is available. These districts are shown in Appendix B, together with the all-ranks salary averages for the University and the State University. Each of the figures is weighted by the number of full-time Community College faculty (with or without overload assignments) in each district for the 1979-80 year and by the 1979-80 staffing patterns at the University and the State University, respectively. This approach was taken in order to produce as much consistency in the averages as possible. As noted in last year's report, the use of different staffing patterns can create distortions and, therefore, the attempt has been made here to reduce skewing of the true averages to a minimum.

It may well be argued that the use of only fifty-three districts does not provide a true picture of Community College salaries in the three years under consideration. This assertion, however, would not appear to be well founded. Table 6 compares the mean salaries for the sixty-eight districts that reported in 1977-78 and 1978-79, and the seventy districts that reported in 1979-80, with the mean salaries shown in Appendix B. As with Appendix B, all salaries were weighted by the 1979-80 staffing pattern.

TABLE 6  
COMPARISON BETWEEN MEAN SALARIES PAID BY  
53 CALIFORNIA COMMUNITY COLLEGES AND THOSE PAID BY  
ALL DISTRICTS REPORTING  
1977-78 TO 1979-80

<u>Item</u>	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
Mean Salary			
53 Districts	\$22,467	\$24,209	\$26,355
All Reporting Districts (Parenthesis indicates number reporting)	\$22,424 (68)	\$24,177 (68)	\$25,871 (70)
Percentage Difference	0.2%	0.1%	1.9%

In 1977-78, the difference between the mean salary of the fifty-three districts in the sample and that of the sixty-eight districts that reported was only 0.2 percent, with an even smaller difference of 0.1 percent in 1978-79. The 1.9 percent difference in 1979-80 is caused by the fact that the mean salaries reported for the fifteen districts which did not provide salary increase figures were essentially the means for the prior year. Had the mean salaries been adjusted by the amount of the 1979-80 increase, there can be little doubt that the overall difference between the sample of fifty-three and the total of seventy would have been comparable to that reported for the previous two years. From this, it may be concluded that the sample is a very accurate reflection of the actual mean salaries throughout the Community College system for all three years. It may also be concluded that, considering only full-time faculty, the relationship among the three public segments is one in which the University leads the other segments by about 10 to 12 percent in terms of salaries paid, while the State University and the Community Colleges are essentially comparable.

#### PART-TIME FACULTY IN THE CALIFORNIA COMMUNITY COLLEGES

During 1979-80, full-time faculty represented only 35.5 percent of the total number of Community College faculty in the seventy districts. According to the Chancellor's Office, there are 44,956 faculty on a headcount basis--10,145 teaching full-time with no overload, 5,821 teaching full-time plus some overload assignments, and 28,990 teaching part-time. However, when these headcount figures are translated into full-time-equivalent (FTE) positions [by comparing the number of weekly faculty contact hours (WFCH) taught by each group] full-time faculty then become accountable for 69.0 percent of the total teaching load. Of this total, full-time faculty with no overload teach 39.1 percent, full-time faculty with overloads teach 29.9 percent, and part-time faculty teach 31.0 percent. These and related data are shown in Table 7.

As with the figures for mean salaries, the differences in the distribution of full- and part-time faculty between the sample of fifty-five districts and the sixty-seven districts that reported are very slight, varying by only tenths of a percent. Given this fact, the trends evidenced by the fifty-five districts that provided figures for both 1978-79 and 1979-80 are probably representative of the Community College system as a whole.



TABLE 7  
FULL-TIME AND PART-TIME FACULTY IN THE  
CALIFORNIA COMMUNITY COLLEGES  
1978-79 AND 1979-80<sup>1</sup>

<u>Item</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1979-80<sup>2</sup></u>
<b>Number of Faculty</b>			
Full-Time (No Overload)	9,856 (67)	10,145 (70)	9,751 (67)
Full-Time (Overload)	5,882 (67)	5,821 (70)	5,641 (67)
Part-Time	25,918 (67)	28,990 (70)	28,128 (67)
<b>Percentage of Faculty</b>			
Full-Time (No Overload)	23.7 (67)	22.6 (70)	22.4 (67)
Full-Time (Overload)	14.1 (67)	12.9 (70)	13.0 (67)
Part-Time	62.2 (67)	64.5 (70)	64.6 (67)
<b>Weekly Faculty Contact Hours</b>			
Full-Time (No Overload)	106,173 (56)	149,697 (67)	
Full-Time (Overload)	78,321 (56)	114,759 (67)	
Part-Time	80,969 (55)	118,979 (67)	
<b>Weekly Faculty Contact Hours (Includes only those districts reporting for both years)</b>			
Full-Time (No Overload)	105,033 (55)	104,993 (55)	
Full-Time (Overload)	77,465 (55)	73,790 (55)	
Part-Time	80,969 (55)	87,716 (55)	

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- 1 Numbers in parenthesis indicate the number of districts reporting.
  2. These figures for 1979-80 are only inclusive of those districts reporting for both 1978-79 and 1979-80.
- 

## CONCLUSIONS AND TECHNICAL RECOMMENDATIONS

Throughout this report, there have been a number of references to incomplete data which prevented a full exposition of the Community College salary picture. In a number of cases, particularly with regard to salary increases granted and weekly faculty contact hours, these deficiencies were serious. Appendix C gives an indication of the problem by showing the number of districts that failed to report in various categories.

In spite of the deficiencies noted, it is very clear that the data collection process was improved between 1978-79 and 1979-80, with the exception of data for the percentage salary increases granted. As noted in Appendix C, while six districts did not report percentage increases for 1978-79, fifteen failed to do so for 1979-80. Of course, this was not entirely the fault of either the districts or the Chancellor's Office since several of these districts were still in the process of negotiating salaries at the time the report was submitted to the printer. However, when Commission staff telephoned the districts involved, it was found that a few had reached agreement

months before and could have had their data included if sufficient follow-up efforts had been made. With others, agreements were not reached in time.

The establishment of salary levels and the granting of salary increases in the Community Colleges is not a matter of State discretion. However, the data presented in this Addendum to the April report on faculty salaries raises a number of questions which might be addressed in subsequent research. Foremost among them are questions relating to part-time faculty and overload assignments. There is certainly no question that the use of part-time faculty has become widespread in virtually all Community College districts. The fact that they are paid so much less than full-time faculty provides the districts with funds for other educational purposes. It may well be that the salaries of full-time faculty would not be nearly as high as they are if it were not for the fact that part-time faculty have assumed a substantial portion of the teaching load.

The differences in compensation between full-time and part-time faculty are substantial, with full-time personnel being paid approximately two-and-one-half times as much. Undoubtedly, the use of part-time faculty has been a major benefit to the Community College system since, beyond the very substantial savings in salary costs, it has permitted great flexibility in course scheduling and expanded the variety of instructional specialties. Also, the fact that most full-time faculty members are covered by collective bargaining agreements, while part-time faculty are generally not, may have been a factor. In the future, if most part-time faculty become organized, both financial savings and academic flexibility may be reduced substantially, with major implications for Community College programs generally. Obviously, such an eventuality could raise questions that go beyond economic considerations and involve academic quality as well.

In making its observations of deficiencies in the data collected and presented by the Chancellor's Office, Commission staff has been mindful of the fact that the reports on Community College salaries are of recent origin and that it is unreasonable to expect complete data at this time. It has also been noted that the 1979-80 report was far more complete than that for 1978-79, with the exception of salary increase percentages and mean salaries. What is important at present is to develop the most complete and accurate baseline possible so that trends in faculty salaries can be identified. Such trends are well established for the University and the State University since those institutions have been reporting data for the past fifteen years. With only two or three observable years in the Community Colleges, however, conclusions on trends must necessarily be tentative. Accordingly, the following recommendations are offered regarding data submissions by the Chancellor's Office:

1. It is recommended that the Chancellor's Office make note of the data omissions specified in Appendix C, and update the 1978-79 and 1979-80 reports on faculty salaries accordingly. Such updated figures should be reported to Commission staff as they become available.
2. It is recommended that the Chancellor's Office increase its efforts to obtain data on weekly faculty contact hours from all districts. These data are crucial to determining relative compensation of full- and part-time faculty

11/11/11

11/11/11

## APPENDICES

APPENDIX A

LETTER TO GERALD HAYWARD FROM KENNETH B. O'BRIEN

August 9, 1979

APPENDIX B

MEAN SALARIES IN THE CALIFORNIA COMMUNITY COLLEGES  
AND ALL RANKS AVERAGES AT THE  
UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1977-78 THROUGH 1979-80

APPENDIX B

MEAN SALARIES IN THE CALIFORNIA COMMUNITY COLLEGES  
AND ALL RANKS AVERAGES AT THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1977-78 THROUGH 1979-80

<u>Segment</u>	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
University of California	\$24,845	\$25,422	\$29,334
California State University and Colleges	\$22,632	\$22,707	\$26,111
California Community Colleges	\$22,467	\$24,209	\$26,355

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APPENDIX C  
COMMUNITY COLLEGE DISTRICTS FAILING TO REPORT  
DATA IN VARIOUS CATEGORIES  
1978-79 AND 1979-80



# APPENDIX C

## COMMUNITY COLLEGE DISTRICTS FAILING TO REPORT DATA IN VARIOUS CATEGORIES 1978-79 AND 1979-80

<u>Category</u>	<u>Number of Districts Not Reporting</u>	
	<u>1978-79</u>	<u>1979-80</u>
Number of Faculty		
Full-Time (No Overload)	3	0
Full-Time (Overload)	3	1
Part-Time	3	0
Percentage Salary Increases for Full-Time Faculty	6	15
Mean Salaries for Full-Time Faculty	7 <sup>1</sup>	15 <sup>1</sup>
Annual Average Daily Attendance	1	0
Weekly Faculty Contact Hours		
Full-Time (No Overload)	14	3
Full-Time (Overload)	12	3
Part-Time	15	3
Percentage of Weekly Faculty Contact Hours Taught By:		
Full-Time (No Overload)	14	3
Full-Time (Overload)	13	3
Part-Time	15	3
Compensation Per Weekly Faculty Contact Hour		
Full-Time (No Overload)	70 <sup>2</sup>	70 <sup>2</sup>
Full-Time (Overload)	19	3
Part-Time	16	3

- 
1. All but two districts reported mean salaries for 1978-79. However, since six districts did not report their percentage increases, the mean salaries reported could not be considered reliable. The same consideration was rendered with respect to the 1979-80 mean salary figures.
  2. Although computed by the Chancellor's Office, compensation per weekly faculty contact hour for full-time faculty was not reported since it was felt that non-teaching assignments should have been included as a workload component.

APPENDIX E

University of California Salaries and Cost of Fringe Benefits

1980-81

TABLE 1

## UNIVERSITY OF CALIFORNIA

Projected 1980-81 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>Comparison Group Average Salaries</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries</u>
	1974-75	1979-80		1980-81
(1)	(2)	(3)	(4)	(5)
Professor	\$25,863	\$34,794	6.11%	\$36,921
Associate Professor	17,876	23,528	5.65	24,857
Assistant Professor	14,032	18,372	5.54	19,389

TABLE 2

## UNIVERSITY OF CALIFORNIA

Percentage Increase in UC 1979-80 All Ranks Average Salary  
 Required to Equal the Comparison Group Projections for 1980-81,  
 Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
 (Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>UC Average Salaries</u>	<u>Comparison Group Projected Salaries</u>	<u>Percentage Increase Required in UC 1979-80 Salaries</u>
(1)	(2)	(3)	(4)
Professor	\$34,947	\$36,921	5.65%
Associate Professor	23,535	24,857	5.62
Assistant Professor	19,329	19,389	0.31
All Ranks Average	\$29,559 <sup>1</sup>	\$31,039 <sup>1</sup>	5.01%

1. Based on projected UC 1980-81 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 2,774.06; Associate Professor, 1,037.76; Assistant Professor, 849.89. Total staff: 4,661.71.

TABLE 3

## UNIVERSITY OF CALIFORNIA

Projected 1980-81 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>Comparison Group Average Cost of Fringe Benefits</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Cost of Fringe Benefits</u>	
	1974-75	1979-80		1980-81	
(1)	(2)	(3)	(4)	(5)	
Professor	\$4,491	\$6,160	6.52%	\$6,562	
Associate Professor	3,024	4,309	7.34	4,625	
Assistant Professor	2,452	3,595	7.95	3,881	

TABLE 4

## UNIVERSITY OF CALIFORNIA

Percentage Change in UC 1979-80 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1980-81, Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

<u>Academic Rank</u>	<u>UC Average Cost of Fringe Benefits<sup>1</sup></u>		<u>Comparison Group Average Cost of Fringe Benefit Projections</u>		<u>Percentage Change Required in UC 1979-80 Average Cost of Fringe Benefits</u>
	1979-80	(1)	1980-81	(2)	
(1)	(2)	(3)	(4)		
Professor	\$8,721	\$6,562	-24.76%		
Associate Professor	6,175	4,625	-25.10		
Assistant Professor	5,231	3,881	-25.81		
All Ranks Average	\$7,518 <sup>2</sup>	\$5,642 <sup>2</sup>	-24.95%		
Less Adjustment for the Effect of a 5.01% Range Adjustment		- 336	- 4.47		
Adjusted Parity Requirement		\$5,306	-29.42%		

1. Based on \$877.20 plus 22.67% of average salary.
2. Based on projected UC 1980-81 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 2,774.06; Associate Professor, 1,037.76; Assistant Professor, 849.89. Total staff: 4,661.71.

## APPENDIX F

California State University and Colleges  
Salaries and Cost of Fringe Benefits, 1980-81

TABLE 1

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1980-81 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>Comparison Group Average</u>		<u>Compound Rate</u> <u>of Increase</u>	<u>Comparison Group</u> <u>Projected Salaries</u>
	<u>1974-75</u>	<u>1979-80</u>		
(1)	(2)	(3)	(4)	(5)
Professor	\$21,816	\$29,161	5.98%	\$30,904
Associate Professor	16,796	22,343	5.87	23,655
Assistant Professor	13,814	18,036	5.48	19,024
Instructor	10,723	14,086	5.61	14,876



TABLE 2

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Increase in CSUC 1979-80 All Ranks Average Salary  
Required to Equal the Comparison Group Projections for 1980-81,  
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

Academic Rank	CSUC		Comparison Group		Percentage Increase Required in CSUC 1979-80 Salaries
	Average Salaries		Projected Salaries		
	1979-80		1980-81		
(1)	(2)		(3)	(4)	
Professor	\$30,258		\$30,904		+ 2.13%
Associate Professor	23,447		23,655		+ 0.89
Assistant Professor	19,110		19,024		- 0.45
Instructor	16,696		14,876		-10.90
All Ranks Average	\$26,111 <sup>1</sup>		\$26,461 <sup>1</sup>		+ 1.34%
Less Turnover and Promotions			- 130		- 0.50
Adjusted Total			\$26,331		+ 0.84%

1. Based on CSUC 1979-80 staffing: Professor, 5,753; Associate Professor, 3,202; Assistant Professor, 1,940; Instructor, 185. Staff Total: 11,080.

TABLE 3

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1980-81 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>Comparison Group Average Cost of Fringe Benefits</u>		<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Cost of Fringe Benefits</u>	
	1974-75	1979-80		1980-81	
(1)	(2)	(3)	(4)	(5)	
Professor	\$3,046	\$5,035	10.57%	\$5,567	
Associate Professor	2,495	4,082	10.35	4,504	
Assistant Professor	2,079	3,285	9.58	3,600	
Instructor	1,617	2,626	10.18	2,893	

TABLE 4

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Change in CSUC 1979-80 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1980-81 Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	<u>CSUC Average Cost of Fringe Benefits<sup>1</sup></u>		<u>Comparison Group Average Cost of Fringe Benefit Projections</u>		<u>Percentage Change Required in CSUC 1979-80 Average Cost of Fringe Benefits</u>
	1979-80	(2)	1980-81	(3)	
(1)		(2)		(3)	(4)
Professor		\$7,857		\$5,567	-29.15%
Associate Professor		6,723		4,504	-33.01
Assistant Professor		5,646		3,600	-36.24
Instructor		4,854		2,893	-40.40
All Ranks Average		\$7,092 <sup>2</sup>		4,871 <sup>2</sup>	-31.32%
Less 0.5% Turnover & Promotions, Automatic Salary/Benefit Adjustment, and an Adjustment for the Effect of a 0.84% Range Increase					
Adjusted Parity Requirements				- 43	- 0.61
				\$4,828	-31.93%

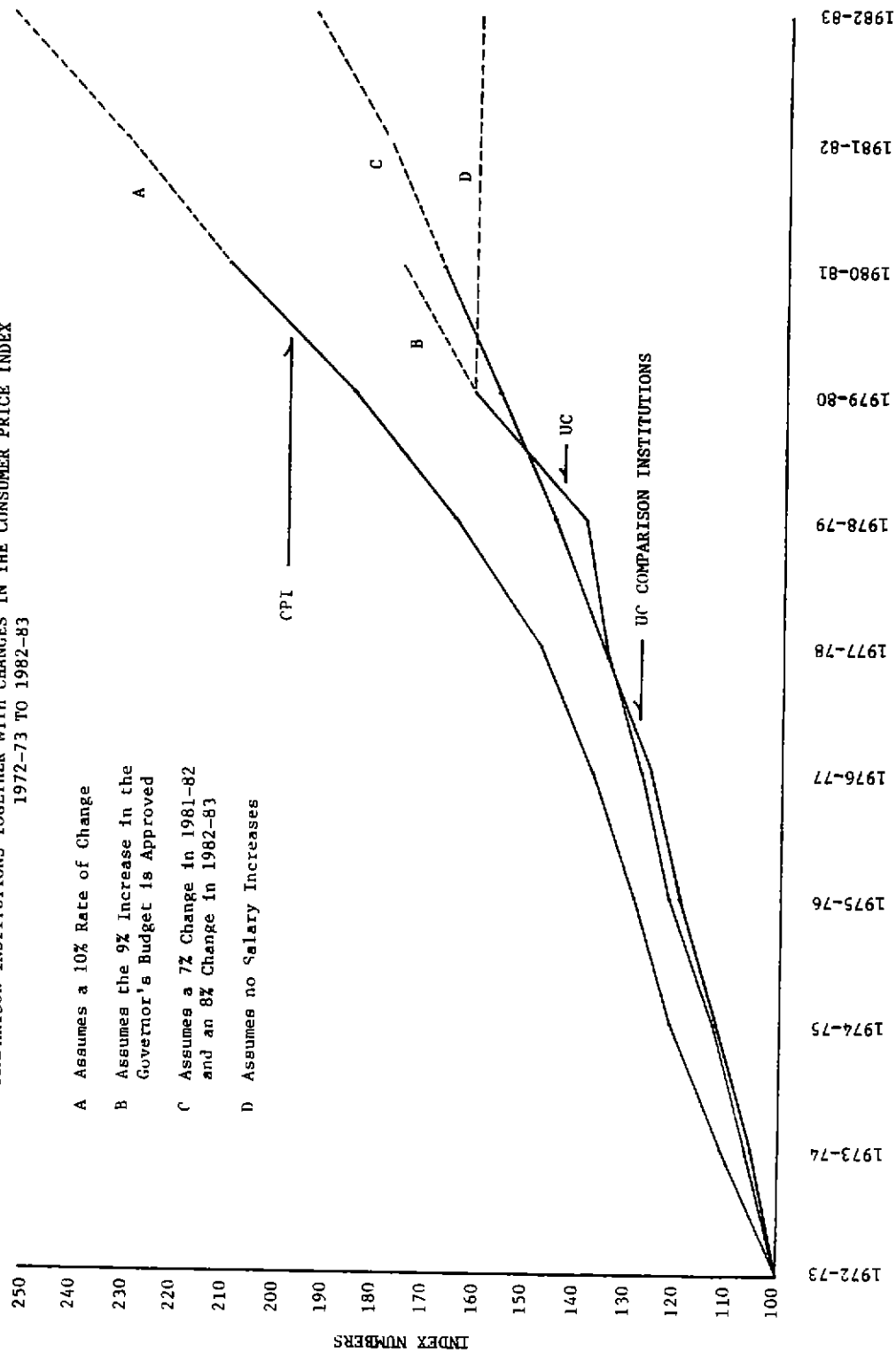
1. Based on \$2,094 plus 19.13 percent of average salary at each rank.

2. Based on CSUC 1979-80 staffing: Professor, 5,753; Associate Professor, 3,202; Assistant Professor, 1,940; Instructor, 185. Total Faculty: 11,080.

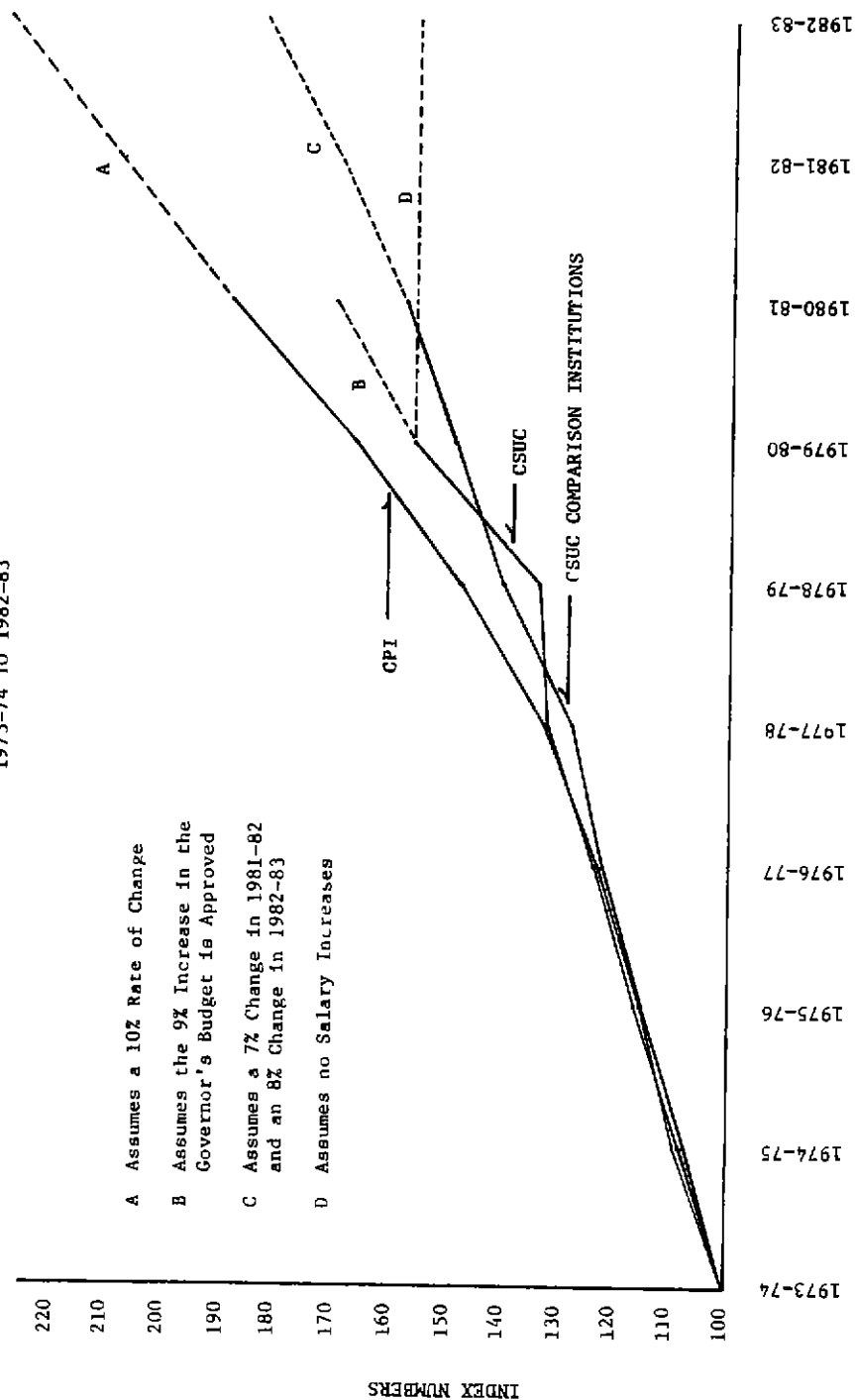
## APPENDIX G

Relative Increases in University of California and  
California State University and Colleges Faculty  
Salaries, Comparison Institutions Faculty Salaries,  
and the Consumer Price Index, 1972-73 Through  
1980-81 with Projections to 1982-83

CHANGES IN FACULTY SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THEIR  
COMPARISON INSTITUTIONS TOGETHER WITH CHANGES IN THE CONSUMER PRICE INDEX  
1972-73 TO 1982-83



CHANGES IN FACULTY SALARIES AT THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
AND THEIR COMPARISON INSTITUTIONS TOGETHER WITH CHANGES IN THE  
CONSUMER PRICE INDEX  
1973-74 TO 1982-83



## APPENDIX H

Report on Medical School Clinical Compensation Plans  
and Clinical Faculty Salaries

University of California and Comparison Institutions

UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

FEB 22 1980

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SANTA BARBARA • SANTA CRUZ

Office of the Vice President--  
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

February 19, 1980

Mr. Patrick M. Callan, Director  
California Postsecondary Education Commission  
1020 Twelfth Street  
Sacramento, California 95814

Dear Mr. Callan:

I am pleased to supply three tables pursuant to our responsibility to provide the Commission with data on Medical School Clinical Compensation. There were no exceptions granted by the President to the uniform compensation limitations contained in The Regents approved Medical School Clinical Compensation Plan. If you have any questions concerning these tables, I suggest you contact Assistant Vice President Blakely at (415) 642-2626.

Sincerely,

  
Archie Kleingartner  
Vice President

Attachments

cc: Assistant Vice President Blakely



Signature  
Department

December 13, 1979  
Date

Effective Date 1979-80

<u>Rank</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
F	\$74,300	\$51,700	\$43,500
UC	72,415	56,557	46,228
E	71,800	58,410	53,210
D	70,248	51,305	43,362
B	66,870	56,250	42,500
A	65,992	56,073	44,067
C	63,519	49,013	40,412
H	61,690	53,200	40,460
G	58,369	51,543	44,218
Average	\$57,245	\$53,790	\$44,217
Standard Deviation	5,379	3,133	3,836

Page 18 of 18  
Department

December 18, 1979  
Date

Effective Date: 1979-01

<u>Key</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
B	\$71,000	354,888	\$53,000
F	70,850	59,150	41,030
UC	68,028	54,401	45,005
D	66,358	50,590	39,427
A	60,624	49,479	36,001
E	59,940	51,380	41,850
G	57,409	44,471	36,929
C	55,980	44,700	37,165
H	53,080	43,130	34,950
Average	\$62,585	\$50,243	\$40,595
Standard Deviation	6,658	5,418	5,642

SalaryDepartmentDecember 12, 1979DateEffective Date 1979-80

<u>Rate</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
E	\$113,170	\$69,600	\$69,300
UC	98,152	70,509	63,054
G	95,419	76,343	68,959
C	91,900	69,357	59,856
D	87,949	-0-	64,046
B	84,000	71,867	66,555
A	80,256	64,554	54,066
F	80,133	64,400	56,400
H	76,800	61,540	51,540
Average	\$89,753	\$71,021	\$61,531
Standard Deviation	11,415	8,897	6,462

August 9, 1979

Gerald Hayward  
Director of Legislative and  
Public Affairs  
California Community Colleges  
1238 S Street  
Sacramento, California 95814

Dear Jerry:

As you know, the Legislature took several actions during the current session concerning the reporting of salary data. The first of these emanated from the Legislative Analyst's report and requires the Commission to include the Community Colleges in our annual reports on University of California and California State University and Colleges faculty salaries. The second action appropriated \$15,000 to the Chancellor's Office for the purpose of collecting salary data for the 1978-79 and 1979-80 fiscal years. The latter action, however, did not specify the type of information to be collected.

It is my understanding that you discussed this subject with Bill Storey and agreed that we should develop a detailed list of the information we will require for our report. After that, I presume you will contact us if there are any questions or ambiguities.

Our questions fall into three categories: (1) full-time faculty, (2) part-time faculty, and (3) administrators. For each of these, we will need the following:

Full-time faculty

1. A listing of all salary classifications (e.g., BA + 30, MA, etc.) for each Community College district.
2. The actual salary at each step of each classification.
3. The number of faculty at each step of each classification.
4. The amounts of any bonuses that are granted to faculty, the number of faculty receiving them, the total salary of every faculty member receiving a bonus, and the reason for granting the bonus.

FEB 22

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Office of the Vice President--  
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

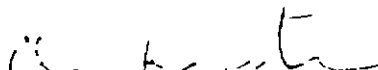
February 19, 1980

Mr. Patrick M. Callan, Director  
California Postsecondary Education Commission  
1020 Twelfth Street  
Sacramento, California 95814

Dear Mr. Callan:

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Sincerely,

  
Archie Kleingartner  
Vice President

Attachments

cc: Assistant Vice President Blakely

Effective Date. 1979-80

<u>Key</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
F	\$74,300	\$51,760	\$43,500
UC	72,415	56,557	46,228
F	71,800	58,410	53,210
D	70,248	51,305	43,362
B	66,870	56,250	42,500
A	65,992	56,073	44,067
C	63,519	49,013	40,412
H	61,690	53,200	40,460
G	58,369	51,543	44,218
Average	\$67,245	\$53,790	\$44,217
Standard Deviation	5,379	3,138	3,836

Effective Date: 1979-80

<u>Key</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
B	\$71,000	\$54,888	\$53,000
F	70,850	59,150	41,030
UC	68,028	54,401	45,005
D	66,358	50,590	39,427
A	60,624	49,479	36,001
E	59,940	51,380	41,850
G	57,409	44,471	36,929
C	55,980	44,700	37,165
H	53,080	43,130	34,950
Average	\$62,585	\$50,243	\$40,595
Standard Deviation	6,658	5,418	5,642

Surgery

Department

December 18, 1979

Date

Effective Date: 1979-80

<u>Row</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
E	\$113,170	\$89,600	\$69,300
UC	98,152	70,509	63,054
G	95,419	76,343	68,959
C	91,900	69,357	59,856
D	87,949	-0-	64,046
B	84,000	71,867	66,555
A	80,256	64,554	54,066
F	80,133	64,400	56,400
H	76,800	61,540	51,540
Average	\$89,753	\$71,021	\$61,531
Standard Deviation	11,415	8,887	6,462



## APPENDIX I

Letter from Associate Director O'Brien to Chancellor Hayward

August 9, 1979

Gerald Hayward  
Director of Legislative and  
Public Affairs  
California Community Colleges  
1238 S Street  
Sacramento, California 95814

Dear Jerry:

As you know, the Legislature took several actions during the current session concerning the reporting of salary data. The first of these emanated from the Legislative Analyst's report and requires the Commission to include the Community Colleges in our annual reports on University of California and California State University and Colleges faculty salaries. The second action appropriated \$15,000 to the Chancellor's Office for the purpose of collecting salary data for the 1978-79 and 1979-80 fiscal years. The latter action, however, did not specify the type of information to be collected.

It is my understanding that you discussed this subject with Bill Storey and agreed that we should develop a detailed list of the information we will require for our report. After that, I presume you will contact us if there are any questions or ambiguities.

Our questions fall into three categories: (1) full-time faculty, (2) part-time faculty, and (3) administrators. For each of these, we will need the following:

Full-time faculty

1. A listing of all salary classifications (e.g., BA + 30, MA, etc.) for each Community College district.
2. The actual salary at each step of each classification.
3. The number of faculty at each step of each classification.
4. The amounts of any bonuses that are granted to faculty, the number of faculty receiving them, the total salary of every faculty member receiving a bonus, and the reason for granting the bonus.

5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.
6. The total number of full-time faculty in each district.
7. The mean salary received by those full-time faculty.
8. The total dollar amount paid to full-time faculty as a group.

Part-time faculty

1. The total number of part-time faculty employed by each district on both a headcount and full-time-equivalent (FTE) basis.
2. The mean salary paid to each headcount faculty member in each district.
3. The mean salary paid to each FTE faculty member in each district.
4. The total dollar amount paid to all part-time faculty in each district.
5. A summary of the compensation plan for part-time faculty members in each district.

Administrators

1. A list of all administrative positions (titles) in each district.
2. The salary schedule for each position.
3. The number of headcount and FTE employees occupying each administrative position.
4. The actual salary paid to each employee in each administrative position.
5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.

A few words of explanation may be in order. The data requested for full-time faculty is very similar to that which has been collected by the Chancellor's Office for a number of years but which was not collected for 1978-79 due to Proposition 13 reductions. The only major difference relates to the detail on bonuses which was not clearly presented in prior reports.

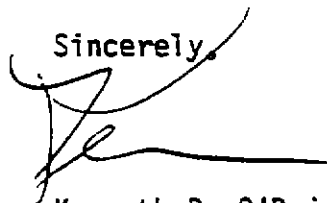
We are asking for data on part-time faculty because of objections raised by Community College representatives. At the time our preliminary report on Community College salaries was presented, many Community College representatives, including those from the Chancellor's Office, complained that the data were misleading because part-time faculty were not included. To avoid that difficulty in the future, it is imperative that data on these faculty be included in next year's report to the Legislature.

We are also asking for data on administrators because of the concerns expressed by both the Legislature (on the subject of academic administration generally) and various Community College faculty organizations. I am not sure we will publish any of the data on administrators but we do want to be able to respond to questions should they arise.

The final item concerns the dates for receipt of the data. As you know, we publish two salary reports each year. Since the University and the State University report to us each year by November 1, we think it would be appropriate to set November 1 as a reporting date (for the 1978-79 data) for the Chancellor's Office as well. For the 1979-80 data, we would like to have a report by March 1 so that we may include it in our final report to the Legislature. In future years, the March 1 date should become permanent.

If you have any questions concerning any of these matters, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to be "K. B. O'Brien, Jr.", written over the word "Sincerely,".

Kenneth B. O'Brien, Jr.  
Associate Director

KBOB:mc

APPENDIX J

University of California Supplementary Information

THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS  
February 1980

TABLE III  
Average UC Faculty Fringe Benefits  
(Employer Contributions)

Retirement/FICA			20.55% of salary
Unemployment Insurance			0.28% of salary
Workmen's Compensation			1.21% of salary
Health Insurance -- Annuitants			0.63% of salary
Health Insurance	\$813.00		
Life Insurance	16.20		
Non-Industrial Disability Insurance	<u>48.00</u>		
	<u>TOTAL</u>	\$877.20	plus 22.67% of salary

THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS  
February 1980

TABLE IV  
Average Comparison Institution Salaries

<u>Institution</u>	<u>Professor</u> <u>1979-80</u>	<u>Associate</u> <u>Professor</u>	<u>Assistant</u> <u>Professor</u>
A	\$37,528 (2)	\$25,755 (1)	\$20,028 (1)
B	30,588 (8)	22,209 (7)	18,669 (4)
C	36,154 (4)	25,411 (2)	16,093 (8)
D	36,544 (3)	22,174 (8)	17,040 (7)
E	32,980 (6)	23,547 (3)	18,668 (5)
F	33,391 (5)	22,982 (5)	17,974 (6)
G	32,570 (7)	22,951 (6)	19,176 (3)
H	38,595 (1)	23,196 (4)	19,325 (2)
Average	\$34,794	\$23,528	\$18,372
<u>1974-75</u>			
A	\$25,984 (4)	\$17,944 (4)	\$13,912 (5)
B	22,816 (8)	16,655 (8)	14,153 (3)
C	28,455 (1)	19,869 (1)	14,996 (1)
D	27,842 (2)	16,854 (7)	12,481 (8)
E	25,466 (6)	18,350 (3)	14,987 (2)
F	25,607 (5)	17,765 (5)	13,706 (7)
G	23,813 (7)	17,037 (6)	14,025 (4)
H	26,920 (3)	18,530 (2)	13,998 (6)
Average	\$28,863	\$17,876	\$14,032

---

NOTE: Confidential data received from comparison institutions include 9- and 11-month full-time salaries for all schools and colleges except health sciences.

UNIVERSITY OF CALIFORNIA

SUPPLEMENTARY TABLES

TABLE B-1

FULL-TIME FACULTY BY RANK 1979-80 (actual)<sup>a</sup>

<u>Rank</u>	<u>F.T.E.</u>	<u>Percent</u>
Professor	2,706.91	57%
Associate Professor	1,086.55	23%
Assistant Professor	937.34	20%
Instructor	--	--
	<hr/>	<hr/>
(Total)	4,730.80	100%

<sup>a</sup>Full-time faculty by rank, by budgeted F.T.E. General campus, 9- and 11-months basis appointments. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Projected Staffing for 1979-80



TABLE B-2

NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1979

9-Months	With Doctorate		Without Doctorate		Total	
	N	%	N	%	N	%
<u>Professors</u>						
New	39	88.6	5	11.4	44	100.00
Continuing	2,447	88.2	326	11.8	2,773	100.00
(Total)	(2,486)	(88.2)	(331)	(11.8)	(2,817)	(100.00)
<u>Associate Professors</u>						
New	13	76.5	4	23.5	17	100.00
Continuing	1,073	88.6	138	11.4	1,211	100.00
(Total)	(1,086)	(88.4)	(142)	(11.6)	(1,228)	(100.00)
<u>Assistant Professors</u>						
New	99	92.5	8	7.5	107	100.00
Continuing	869	81.4	199	18.6	1,068	100.00
(Total)	(968)	(82.4)	(207)	(17.6)	(1,175)	(100.00)
<u>Instructors</u>						
New	-		-	0.0	-	100.00
Continuing	1	100.00	-	0.0	1	100.00
(Total)	(1)	(100.00)	(-)	(0.0)	(1)	(100.00)
<u>All Ranks</u>	<u>4,541</u>	<u>87.0</u>	<u>680</u>	<u>13.0</u>	<u>5,221</u>	<u>100.00</u>
<u>Lecturers</u>	537	43.1	709	56.9	1,246	100.00

<sup>a</sup>Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1 which are computed on an F.T.E. basis.

<sup>b</sup>Includes regular rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Bio-bibliographical Services (Records on U.C. Faculty)

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE 8-2 (continued)

NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1979

<u>11-Months</u>	<u>With Doctorate</u>		<u>Without Doctorate</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Professors</u>						
New	5	100.0	-	0.0	5	100.00
Continuing	483	95.8	21	4.2	504	100.00
(Total)	(488)	(95.8)	(21)	(4.2)	(509)	(100.00)
<u>Associate Professors</u>						
New	3	100.0	-	0.0	3	100.00
Continuing	119	98.3	2	1.7	121	100.00
(Total)	(122)	(98.4)	(2)	(1.6)	(124)	(100.00)
<u>Assistant Professors</u>						
New	15	100.0	-	0.0	15	100.00
Continuing	115	95.8	5	4.2	120	100.00
(Total)	(130)	(96.3)	(5)	(3.7)	(135)	(100.00)
<u>Instructors</u>						
New	-	0.0	-	0.0	-	100.00
Continuing	-	0.0	-	0.0	-	100.00
(Total)	(-)	(0.0)	(-)	(0.0)	(-)	(100.00)
<u>All Ranks</u>	<u>740</u>	<u>96.4</u>	<u>28</u>	<u>3.6</u>	<u>768</u>	<u>100.00</u>
<u>Lecturers</u>	41	73.2	15	26.8	56	100.00

<sup>a</sup>Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1 which are computed on an F T E. basis

<sup>b</sup>Includes regular rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes the health sciences Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine

Source: Bio-bibliographical Services (Records on U.C. Faculty)

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE B-3  
NUMBER<sup>a</sup> AND PERCENT OF FULL-TIME FACULTY<sup>b</sup> WITH  
TENURE OR SECURITY OF EMPLOYMENT 1979-80

	Total Number of Faculty	Faculty with Tenure or Security of Employment	
		N	%
<u>9-Months</u>			
Professor	2,999	2,817	93.9
Associate Professor	1,335	1,228	92.0
Assistant Professor	1,399	-	-
Instructor	63	-	-
(All Ranks)	(5,796)	(4,045)	(69.8)
Lecturer	1,246	126	10.1
<u>11-Months</u>			
Professor	516	509	98.6
Associate Professor	128	124	96.9
Assistant Professor	141	-	-
Instructor	-	-	-
(All Ranks)	(785)	(633)	(80.6)
Lecturer	56	5	8.9

<sup>a</sup>Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1 which are computed on an F T E basis.

<sup>b</sup>Includes regular and irregular (Acting, Visiting, In-Residence, Adjunct) rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Bio-bibliographical Services (Records on U.C. Faculty)

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE B-4  
SEPARATIONS OF FULL-TIME FACULTY 1978-79<sup>a</sup>

Reasons for Separation	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos	11-Mos.	9-Mos.	11-Mos	9-Mos	11-Mos.	9-Mos.	11-Mos.
Death & Retirement	50	12	5	2	2	-	-	-
Faculty Position in Another Institution (U S & Foreign)	11	-	9	-	18	4	-	-
Return to Graduate Study	-	-	-	-	-	-	-	-
Change in Status	-	-	1	-	2	-	-	-
Expiration of Appointment	-	-	-	-	18	1	-	-
Other Employment	9	1	8	-	19	3	-	-
Unknown	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>1</u>	<u>-</u>	<u>-</u>
TOTAL	71	13	23	2	70	9	-	-

<sup>a</sup>Includes regular rank titles only For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year Excludes the health sciences Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine

Source Academic Personnel Log Books

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE B-5

ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1979-80

Institutions	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.
Univ /Arizona	1	-	-	-	-	-	-	-
Brown University	-	-	-	-	1	-	-	-
Calif Inst Tech	-	-	1	-	3	-	-	-
CSUC - Northridge	1	-	-	-	-	-	-	-
CSUC - Sacramento	1	-	-	-	-	-	-	-
CSUC - San Jose	-	-	-	1	-	-	-	-
CSUC - Stanislaus	-	-	-	-	1	-	-	-
Carnegie-Mellon	-	-	-	-	1	-	-	-
Case Western Reserve	1	-	-	-	-	-	-	-
CUNY - Brooklyn	-	-	-	-	1	-	-	-
Clark University	-	-	-	-	1	-	-	-
Columbia University	-	-	-	-	-	1	-	-
Univ /Connecticut	-	-	-	-	1	-	-	-
Cornell University	-	-	-	-	1	-	-	-
Duke University	-	-	-	-	-	1	-	-
Emory University	-	-	-	-	1	-	-	-
Florida State Univ	-	-	-	-	1	-	-	-
Harvard University	-	-	2	-	4	2	-	-
Univ./Illinois	1	-	-	-	1	-	-	-
Indiana University	1	-	-	-	-	-	-	-
Iowa State Univ	1	-	-	-	-	-	-	-
Julliard School	1	-	-	-	-	-	-	-
Univ /Kentucky	-	-	-	-	1	-	-	-
Lincoln University	-	-	-	-	-	1	-	-
Univ /Maryland	-	1	-	-	-	-	-	-
Univ./Massachusetts	2	-	-	-	-	-	-	-
Mass Inst. Tech.	1	-	-	-	1	-	-	-
Univ /Michigan	1	1	-	-	1	1	-	-
Univ /Montana	1	-	-	-	-	-	-	-
Univ /New Hampshire	-	-	-	-	1	-	-	-
New Mexico State Univ	-	-	-	-	1	-	-	-
Oberlin College	-	-	-	-	1	-	-	-

TABLE B-5 (continued)

ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1979-80

Institutions	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos	11-Mos.	9-Mos	11-Mos	9-Mos	11-Mos.	9-Mos.	11-Mos.
Univ /Oregon	-	-	-	-	1	-	-	-
Univ /Pennsylvania	1	-	-	-	-	-	-	-
Univ /Pittsburgh	-	-	1	-	-	-	-	-
Princeton Univ	-	-	2	-	-	-	-	-
Purdue University	-	-	1	-	2	-	-	-
Univ /Rhode Island	-	-	-	-	1	-	-	-
Rice University	-	-	-	-	2	-	-	-
St John's College	-	-	-	-	1	-	-	-
Stanford University	1	-	-	-	1	-	-	-
SUNY - Buffalo	2	-	-	-	2	-	-	-
Univ /So California	-	-	-	-	2	-	-	-
Univ /Texas	-	-	-	-	2	-	-	-
Union College	-	-	-	-	1	-	-	-
Univ /Utah	-	-	-	-	2	-	-	-
Vassar College	1	-	-	-	-	-	-	-
Univ /Virginia	1	-	-	-	-	-	-	-
Virginia Polytech Institute	-	-	-	-	1	-	-	-
Washington State U	2	-	-	-	1	-	-	-
Univ /Washington	1	-	1	-	2	-	-	-
Western Kentucky U	-	-	-	-	1	-	-	-
Univ /Wisconsin	2	-	-	-	1	-	-	-
Williams College	-	-	-	-	1	-	-	-
Yale University	1	-	-	-	2	1	-	-
Yeshiva University	-	-	-	-	1	-	-	-
<u>Subtotal</u>	25	2	8	1	50	7	-	-
UC	14	2	6	2	26	3	-	-
UC - Regularization	-	-	-	-	9	-	-	-
<u>Subtotal</u>	14	2	6	2	35	3	-	-

TABLE B-5 (continued)

ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1979-80

Other Sources	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.
Foreign Institutions	3	-	2	-	2	-	-	-
Graduate Study	-	-	-	-	5	-	-	-
Other Employment	2	1	1	-	13	5	-	-
Government	-	-	-	-	-	1	-	-
Subtotal	5	1	3	-	21	6	-	-
<u>TOTAL</u>	<u>44</u>	<u>5</u>	<u>17</u>	<u>3</u>	<u>106</u>	<u>16</u>	<u>-</u>	<u>-</u>

<sup>a</sup>Includes full-time regular rank titles only. Gives origins of new faculty shown in Table B-2. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Sources: Academic Personnel Log Books

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE 8-6

DESTINATION OF FULL-TIME FACULTY WHO VOLUNTARILY RESIGNED<sup>a</sup>  
1978-79

Institutions	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.	9-Mos.	11-Mos.
Babson College	-	-	1	-	-	-	-	-
Boston College	-	-	-	-	1	-	-	-
Calif Inst Tech	1	-	-	-	-	-	-	-
Case Western Res	-	-	-	-	1	-	-	-
Columbia University	-	-	1	-	-	-	-	-
Harvard University	-	-	-	-	1	-	-	-
Univ /Illinois	-	-	-	-	1	-	-	-
Johns Hopkins Univ	-	-	1	-	-	-	-	-
Mass Inst Tech.	1	-	-	-	2	-	-	-
Univ /New Mexico	1	-	-	-	-	-	-	-
Univ /No. Carolina	-	-	1	-	-	-	-	-
Northwestern Univ	-	-	-	-	2	-	-	-
Oregon State Univ	-	-	-	-	1	-	-	-
Pennsylvania State U	-	-	-	-	1	-	-	-
Princeton University	2	-	-	-	-	-	-	-
Purdue University	1	-	-	-	-	1	-	-
Rice University	1	-	-	-	-	-	-	-
Seton Hall University	1	-	-	-	-	-	-	-
Stanford University	-	-	1	-	1	-	-	-
SUNY - Albany	-	-	1	-	-	-	-	-
SUNY - Stony Brook	2	-	-	-	-	-	-	-
Univ /So. California	-	-	2	-	2	-	-	-
Univ /Texas	1	-	-	-	-	-	-	-
Tulane University	-	-	-	-	1	-	-	-
Utah State University	-	-	-	-	-	1	-	-
Univ /Virginia	-	-	-	-	1	-	-	-
Washington State Univ	-	-	-	-	-	1	-	-
Univ /Wisconsin	-	-	-	-	-	1	-	-
Subtotal	11	-	8	-	15	4	-	-



TABLE B-6 (continued)

DESTINATION OF FULL-TIME FACULTY WHO VOLUNTARILY RESIGN<sup>a</sup>  
1978-79

Others	Professor		Associate Professor		Assistant Professor		Instructor	
	9-Mos	11-Mos	9-Mos.	11-Mos.	9-Mos	11-Mos	9-Mos	11-Mos.
Foreign Institutions	-	-	1	-	3	-	-	-
Government	-	-	-	-	1	1	-	-
Change in Status	-	-	1	-	2	-	-	-
Personal	3	-	3	-	6	-	-	-
Other Employment	6	1	5	-	12	2	-	-
Graduate Study	-	-	-	-	-	-	-	-
Unknown	<u>1</u>	-	-	-	<u>10</u>	<u>1</u>	-	-
<u>Subtotal</u>	10	1	10	-	34	4	-	-
 <u>TOTAL</u>	 <u>21</u>	 <u>1</u>	 <u>18</u>	 <u>-</u>	 <u>49</u>	 <u>8</u>	 <u>-</u>	 <u>-</u>

<sup>a</sup>Includes full-time regular rank titles only. Gives destinations (other than Death and Retirement and Expiration of Appointment) of faculty separating as shown in Table B-4. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Log Books

VP--Academic & Staff Personnel Relations  
10/79 JGY

TABLE B-7

FACULTY PROMOTIONAL PATTERNS 1977-78 and 1978-79<sup>a</sup>

	Promoted From			Promoted From		
	Asst. Professor	to Assoc. Professor	Total	Assoc. Professor	to Professor	Total
	<u>9-Mos.</u>	<u>11-Mos.</u>	<u>Total</u>	<u>9-Mos.</u>	<u>11-Mos.</u>	<u>Total</u>
1977-78	146	18	164	133	18	151
1978-79	124	18	142	126	19	145

<sup>a</sup>Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes the health sciences: Schools of Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Log Books

VP-- Academic and Staff Personnel Relations  
10/79 JGY

APPENDIX K

California State University and Colleges Supplemental Information

Office of The Chancellor  
The California State University and Colleges

Fall 1979 Salaries and Benefits  
of CSUC Full-time Faculty

	<u>Headcount</u>	<u>Average Salary</u>	<u>Average Benefit</u>
Professor	5,753	\$ 30, 258	\$ 7, 857
Associate Professor	3,202	23, 447	6, 723
Assistant Professor	1,940	19, 110	5, 646
Instructor	185	16, 696	4, 854
	<u>11,080</u>	<u>\$ 26, 111</u>	<u>\$ 7, 092 *</u>

\* Based on \$2,094 plus 19.14% of salary.

Office of The Chancellor  
The California State University and Colleges

CSUC Comparison Institution Data

Fall 1979 Data \*

	Number	<u>Expenditures</u>		<u>Average</u>	
		Salaries	Fringe Benefits	Salary	Fringe Benefits
Professor	5,389	\$157,151,273	\$27,135,768	\$29,161	\$ 5,035
Associate Professor	4,533	101,280,079	18,503,356	22,343	4,082
Assistant Professor	4,426	79, 827,701	14,541,258	18,036	3,285
Instructor	1,304	18, 368,181	3, 424,686	14, 086	2,626

Fall 1974 Data \*

	Number	<u>Expenditures</u>		<u>Average</u>	
		Salaries	Fringe Benefits	Salary	Fringe Benefits
Professor	4,539	\$ 99,020,778	\$13,826,501	\$21,816	3,046
Associate Professor	3,981	66,863,070	9,930,818	16,796	2,495
Assistant Professor	4,426	61,141,414	9,199,835	13,814	2,079
Instructor	1,342	14,390,283	2,169,640	10,723	1,617

\* Based on 18 institutions reporting Fall 79 data

# The California State University and Colleges

## Composition of Faculty Fringe Benefits in CSUC and Comparison Institutions

(18 Institutions reporting)

Fall 1979

	CSUC		Comparison Institutions	
	Average Cost	% Of Salary	Average Cost	% of Salary
1. Retirement	\$ 4,998	19.14%	\$ 2,398	9.60
2. Social Security	1,172	4.49	913	3.65
3. Medical Insurance	832	3.19	581	2.32
4. Life Insurance	-	-	198	0.79
5. Disability Insurance	-	-	120	0.48
6. Unemployment Insurance	65	0.25	69	0.28
7. Workmen's Compensation	25	0.10	72	0.29
8. Other Benefits	-	-	62	0.25
	\$ 7,092	27.2%	\$ 4,413	17.7%

Caveat: The validity of the above calculations -- as indicators of the relative value of benefits in the CSUC and the comparison institutions -- is highly questionable. The question arises from the fundamentally different assumptions underlying both the cost and benefits of retirement programs, which constitute the major element of fringe benefits.

Office of The Chancellor  
The California State University and Colleges

CSUC Full-time Faculty  
with Tenure, with Doctorate

Fall 1979

	Headcount	No. w/Doctorate #	No. w/Tenure #	%
Professor	5,753	4,774	5,593	97.2%
Associate Professor	3,202	2,241	2,696	84.2
Assistant Professor	1,940	884	349	18.0
Instructor	185	6	-	-
	<hr/> 11,080	<hr/> 7,905	<hr/> 8,638	<hr/> 78.0

August 9, 1979

Gerald Hayward  
Director of Legislative and  
Public Affairs  
California Community Colleges  
1238 S Street  
Sacramento, California 95814

Dear Jerry:

As you know, the Legislature took several actions during the current session concerning the reporting of salary data. The first of these emanated from the Legislative Analyst's report and requires the Commission to include the Community Colleges in our annual reports on University of California and California State University and Colleges faculty salaries. The second action appropriated \$15,000 to the Chancellor's Office for the purpose of collecting salary data for the 1978-79 and 1979-80 fiscal years. The latter action, however, did not specify the type of information to be collected.

It is my understanding that you discussed this subject with Bill Storey and agreed that we should develop a detailed list of the information we will require for our report. After that, I presume you will contact us if there are any questions or ambiguities.

Our questions fall into three categories: (1) full-time faculty, (2) part-time faculty, and (3) administrators. For each of these, we will need the following:

Full-time faculty

1. A listing of all salary classifications (e.g., BA + 30, MA, etc.) for each Community College district.
2. The actual salary at each step of each classification.
3. The number of faculty at each step of each classification.
4. The amounts of any bonuses that are granted to faculty, the number of faculty receiving them, the total salary of every faculty member receiving a bonus, and the reason for granting the bonus.



5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.
6. The total number of full-time faculty in each district.
7. The mean salary received by those full-time faculty.
8. The total dollar amount paid to full-time faculty as a group.

Part-time faculty

1. The total number of part-time faculty employed by each district on both a headcount and full-time-equivalent (FTE) basis.
2. The mean salary paid to each headcount faculty member in each district.
3. The mean salary paid to each FTE faculty member in each district.
4. The total dollar amount paid to all part-time faculty in each district.
5. A summary of the compensation plan for part-time faculty members in each district.

Administrators

1. A list of all administrative positions (titles) in each district.
2. The salary schedule for each position.
3. The number of headcount and FTE employees occupying each administrative position.
4. The actual salary paid to each employee in each administrative position.
5. The percentage increase in salary granted (i.e., the range adjustment) for the fiscal year covered by the report.

A few words of explanation may be in order. The data requested for full-time faculty is very similar to that which has been collected by the Chancellor's Office for a number of years but which was not collected for 1978-79 due to Proposition 13 reductions. The only major difference relates to the detail on bonuses which was not clearly presented in prior reports.

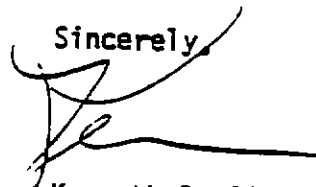
We are asking for data on part-time faculty because of objections raised by Community College representatives. At the time our preliminary report on Community College salaries was presented, many Community College representatives, including those from the Chancellor's Office, complained that the data were misleading because part-time faculty were not included. To avoid that difficulty in the future, it is imperative that data on these faculty be included in next year's report to the Legislature.

We are also asking for data on administrators because of the concerns expressed by both the Legislature (on the subject of academic administration generally) and various Community College faculty organizations. I am not sure we will publish any of the data on administrators but we do want to be able to respond to questions should they arise.

The final item concerns the dates for receipt of the data. As you know, we publish two salary reports each year. Since the University and the State University report to us each year by November 1, we think it would be appropriate to set November 1 as a reporting date (for the 1978-79 data) for the Chancellor's Office as well. For the 1979-80 data, we would like to have a report by March 1 so that we may include it in our final report to the Legislature. In future years, the March 1 date should become permanent.

If you have any questions concerning any of these matters, please let me know.

Sincerely,



Kenneth B. O'Brien, Jr.  
Associate Director

K308:mc

## CHAPTER II

### SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

Each year, the central offices of the University and the State University prepare requests for faculty salaries and the cost of fringe benefits for presentation to their respective governing boards--the Regents and the Trustees. The segmental requests for salaries and the amounts granted by the Governor and the Legislature since the 1965-66 fiscal year are shown in Table 1.

Although the average increase granted to State University faculty is approximately 1 percentage point greater than that approved for University faculty over the past fifteen years, this disparity has been all but eliminated since 1968-69. In the ensuing eleven years, the average increase for University faculty has been 5.0 percent, while that for State University faculty has been 5.2 percent, a difference of only 0.2 percent. In the past five years, the percentage increases have been identical. Also, the eleven-year period referred to includes three years in which no increases were approved.

#### UNIVERSITY OF CALIFORNIA

On November 15 and 16, 1979, the University's Board of Regents discussed faculty salaries for the 1980-81 fiscal year and approved a request for a 10.48 percent increase. The request consisted of two elements: (1) a 7.98 percent adjustment, using data from only four of the eight comparison institutions; and (2) a 2.5 percent increase "to assist in meeting projected State inflation for 1980-81 and to diminish the effects of erosion in faculty salaries over the past decade." 7/

#### Change In The Comparison Methodology

The 7.98 percent increase, as noted above, was based on using only four of the eight comparison institutions. Each of these institutions is listed below in the order of highest and lowest salaries paid during 1979-80. Those institutions used by the University to generate the 7.98 percent figure are indicated by an asterisk (\*).

Stanford University\*  
Harvard University\*  
State University of New York, Buffalo  
Yale University\*

TABLE 1

PERCENTAGE INCREASES REQUESTED BY THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND THE  
AMOUNTS GRANTED BY THE GOVERNOR AND THE LEGISLATURE  
1965-66 THROUGH 1980-81

<u>Year</u>	<u>University of California</u>		<u>California State University and Colleges</u>	
	<u>Requested</u>	<u>Granted</u>	<u>Requested</u>	<u>Granted</u>
1965-66	10.0%	7.0%	10.0%	10.7%
1966-67	2.5	2.5	6.1	6.6
1967-68	6.5	5.0	8.5	5.0
1968-69	5.5	5.0	10.5	7.5
1969-70	5.2	5.0	5.2	5.0
1970-71	7.2	0.0	7.0	0.0
1971-72	11.2	0.0	13.0	0.0
1972-73	13.1	9.0	13.0	8.9
1973-74	5.4	5.4	7.5	7.5
1974-75	4.7	4.5	5.5	5.5
1975-76	10.8	6.7	10.4	6.7
1976-77	4.6	4.3	7.2	4.3
1977-78	6.8	5.0	8.5	5.0
1978-79	9.3	0.0	9.9	0.0
1979-80	16.0	14.5	14.4	14.5
1980-81	<u>10.5</u>	<u>9.0<sup>1</sup></u>	<u>11.0</u>	<u>9.0<sup>1</sup></u>
Totals <sup>2,3</sup>				
Through 1979-80		103.9%		131.1%
Through 1980-81		122.3		151.9
Average <sup>3</sup>				
Through 1979-80		4.9%		5.8%
Through 1980-81		5.2		6.0

1. Amount included in the Governor's Budget for 1980-81

2. These totals are compounded to indicate the total percentage increases granted since 1964-65. No totals are shown for segmental requests since they are affected greatly by the amounts granted

3. An additional 5.25 percent was approved by the Legislature over the Governor's veto for 1979-80. Since this amount is currently under legal challenge, it has not been included in the totals.

University of Michigan\*  
 Cornell University  
 University of Illinois  
 University of Wisconsin

Table 2 shows the rank-by-rank salaries for the comparison four (Harvard, Stanford, Yale, and Michigan), the excluded four (SUNY, Buffalo; Cornell; Illinois; and Wisconsin), and the comparison eight (all of the above institutions), with indices showing the differences among the all-ranks averages. In order to produce consistency in the figures, the all-ranks averages have been computed by using the actual 1979-80 staffing pattern of the University of California. This is the same procedure used in the computation of the parity figures shown in Table 13.

TABLE 2  
 COMPARISON OF RANK-BY-RANK AND ALL-RANKS  
 AVERAGES AMONG THE UNIVERSITY OF CALIFORNIA'S COMPARISONS FOUR,  
 EXCLUDED FOUR AND COMPARISON EIGHT INSTITUTIONS  
 1979-80

	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>All Ranks Averages</u>
Comparison Four (Harvard, Stanford, Yale, and Michigan)				
Salary	\$37,205	\$23,668	\$18,765	\$30,563
Index	106.9	100.6	102.1	105.2
Comparison Eight				
Salary	\$34,794	\$23,528	\$18,372	\$29,067
Index	100	100	100	100
Excluded Four (SUNY Buffalo, Cor- nell, Illinois, and Wisconsin)				
Salary	\$33,175	\$23,388	\$17,978	\$28,027
Index	95.4	99.4	97.9	96.4

Category III	Two-year institutions with academic rank.
Category IV	Institutions without academic ranks (with the exception of a few liberal arts colleges, this category includes mostly two-year institutions).

For the most part, the comparison institutions for the University and for the State University fall into Category I, the classification that includes virtually all of the nation's larger four-year institutions. That category contains 204 institutions for which the AAUP reported rank-by-rank salaries. By applying the University of California's staffing pattern for 1978-79, it is possible to derive a single all-ranks average for each institution in much the same manner as is shown in the tables in Appendices E and F of this report. These averages can then be ranked from highest paying to lowest paying institution to determine where the comparison institutions for the two California segments fit in relation to all of the institutions in Category I. Table 3 shows this ranking for the highest paying 146 institutions, a list which includes all of the University's comparison institutions and 17 of the State University's 20 comparison institutions. The remaining 3 universities in the State University's comparison group are not included because they are listed by the AAUP in Category IIA. Table 3 lists only 146 institutions, rather than 204, because the 9 University and 19 State University campuses, and all institutions with less than 300 full-time faculty members, have been eliminated.

TABLE 3  
RANKING OF 130 AAUP CATEGORY I  
INSTITUTIONS BY SALARIES PAID TO FULL-TIME FACULTY  
1978-79

<u>Institution and Rank</u>	<u>Average Salary Paid</u>
1. Rutgers University (New Brunswick)	\$29,529
2. Harvard University	29,215*
3. Stanford University	28,596*
4. University of Pennsylvania	28,118
5. Massachusetts Institute of Technology	27,954
6. SUNY - Buffalo	27,909*
7. Johns Hopkins University	27,679
8. University of Michigan (Ann Arbor)	27,592*
9. SUNY - Stonybrook	27,547
10. University of Chicago	27,511

11.	Yale University	27,508*
12.	University of Virginia	27,485
13.	SUNY - Albany	27,286**
14.	University of Connecticut	27,076
15.	Northwestern University	26,850
16.	Columbia University	26,849
17.	Brandeis University	26,760
18.	Princeton University	26,693
19.	University of North Carolina	26,693
20.	Cornell University	26,510*
21.	University of Southern California	26,508**
22.	Tufts University	26,443
23.	Virginia Polytechnic Institute and State Univ.	26,397**
24.	University of Pittsburgh	26,384
25.	Georgetown University	26,356
26.	University of Delaware	26,305
27.	Fordham University	26,052
28.	Pennsylvania State University	25,988
29.	New York University	25,985
30.	Wayne State University	25,928**
31.	Ohio State University	25,846
32.	University of Illinois (Urbana)	25,777*
33.	George Washington University	25,666
34.	Howard University	25,632
35.	Purdue University	25,506
36.	University of Arizona	25,473
37.	Duke University	25,240
38.	Boston College	25,146
39.	University of Rochester	25,108
40.	Arizona State University	25,048
41.	Carnegie Mellon University	25,015
42.	University of South Carolina	24,941
43.	University of Hawaii	24,923**
44.	University of Washington	24,920
45.	University of Minnesota	24,873
46.	University of Texas (Austin)	24,843
47.	Indiana University (Pennsylvania)	24,791
48.	University of Iowa	24,739
49.	Washington University (Missouri)	24,709
50.	Brown University	24,621
51.	Adelphi University	24,616
52.	University of Akron	24,602
53.	Georgia Institute of Technology	24,568
54.	Michigan State University	24,533
55.	University of Maryland	24,513
56.	Case Western Reserve University	24,506
57.	Northern Arizona University	24,458
58.	University of Utah	24,457
59.	University of Oregon	24,454**
60.	Texas A & M University	24,440

61.	Dartmouth College	24,435
62.	Rensselaer Polytechnic Institute	24,401
63.	University of Georgia	24,386
64.	University of Wisconsin (Madison)	24,373*
65.	North Carolina State University	24,352
66.	Marquette University	24,346
67.	Vanderbilt University	24,325
68.	University of Wisconsin (Milwaukee)	24,273**
69.	University of Notre Dame	24,265
70.	University of Houston	24,243
71.	Georgia State University	24,199
72.	Auburn University	24,195
73.	Rice University	24,111
74.	University of Cincinnati	24,012
75.	Southern Methodist University	23,926
76.	Oregon State University	23,921
77.	University of Rhode Island	23,920
78.	Emory University	23,889
79.	University of Nevada (Reno)	23,886**
80.	University of Massachusetts	23,871
81.	University of Indiana	23,818
82.	University of Wyoming	23,749
83.	Miami University (Ohio)	23,725**
84.	Bowling Green State University	23,658**
85.	University of Kentucky	23,653
86.	Hofstra University	23,511
87.	University of Kansas	23,508
88.	Iowa State University	23,465**
89.	University of New Mexico	23,415
90.	Syracuse University	23,395**
91.	Loyola University (Chicago)	23,376
92.	University of Missouri	23,319
93.	University of Tennessee	23,217
94.	Virginia Commonwealth University	23,179
95.	Clemson University	23,123
96.	University of Florida	23,105
97.	Louisiana State University	23,073
98.	University of Toledo	23,068
99.	North Texas State University	23,032
100.	University of Alabama	23,022
101.	Washington State University	22,957
102.	Lehigh University	22,939
103.	Kansas State University	22,884
104.	American University	22,849
105.	Utah State University	22,804
106.	University of Louisville	22,801
107.	University of Colorado	22,773**
108.	Texas Women's University	22,664
109.	New Mexico State University	22,627
110.	University of Miami (Florida)	22,603



111.	Southern Illinois University	22,591**
112.	Memphis State University	22,577
113.	Western Michigan University	22,542**
114.	University of Mississippi	22,534
115.	University of Nebraska	22,511
116.	University of New Hampshire	22,495
117.	Colorado State University	22,472
118.	University of West Virginia	22,469
119.	Florida State University	22,348
120.	University of Oklahoma	22,332
121.	Illinois State University	22,214**
122.	Kent State University	22,202
123.	Oklahoma State University	22,132
124.	Ball State University	22,052
125.	Texas Technical University	22,036
126.	University of Arkansas	21,929
127.	Baylor University	21,869
128.	Tulane University	21,841
129.	College of William and Mary	21,823
130.	Ohio University	21,779
131.	Mississippi State University	21,586
132.	University of Vermont	21,563
133.	Catholic University	21,491
134.	University of Idaho	21,412
135.	Texas Southern University	21,306
136.	Indiana State University	21,271**
137.	St Louis University	21,261
138.	Texas Christian University	21,033
139.	University of North Dakota	20,991
140.	Middle Tennessee State University	20,936
141.	Northeast Louisiana University	20,774
142.	Montana State University	20,637
143.	University of Southern Mississippi	20,419
144.	University of Maine	19,888
145.	University of Montana	19,398
146.	Loma Linda University	16,260

Table 5 shows that the accuracy of the University's budget-year staffing projections at each professorial rank has improved slightly since 1978-79. This table also shows that even relatively large errors in staffing projections such as occurred in those developed for 1978-79, do not have a marked effect on the parity figures. Even though the University's projections for that year erred by 14.16 percent at the Associate Professor level and by 9.31 percent at the Professor level the percentage increase required for parity with the comparison institutions would have differed by only 0.14 percent, an amount that should be considered negligible. Since the staffing pattern used for the University is also used for its comparison institutions, any errors that do occur apply equally to both. Such application has the effect of "washing out" erroneous projections. So long as the rank-by-rank salary averages are accurately reported, the staffing pattern assumes a role of secondary importance.

#### CALIFORNIA STATE UNIVERSITY AND COLLEGES

On January 23, 1980, the State University Board of Trustees approved a request to the Governor and the Legislature for an 11.0 percent increase in faculty salaries for the 1980-81 fiscal year. The request was based on the Trustees' estimate of the rate of inflation for the eighteen-month period beginning January 1, 1980, and continuing through the coming fiscal year.

During the past four years, the Trustees have rejected the methodology used by the Commission to project salary needs for State University faculty. This rejection has been based on a dissatisfaction with the list of comparison institutions and with the fact that there have been larger increases in the Consumer Price Index (CPI) than in the salaries of the comparison group. The procedure adopted by the Trustees as an alternative to the comparison approach is based on a two-part formula which predicts the budget-year change in the CPI plus a factor which reflects one fourth of the erosion in faculty salaries since the 1968-69 budget year. For 1980-81, this formula produces a request of 16.7 percent, based on an assumed 11 percent rate of inflation plus a 22.8 percent loss of purchasing power since 1968-69, one fourth of which is 5.7 percent. However, due to the Trustee's reading of the political climate of the State and the reflection of that climate in the Legislature, the request was reduced to 11.0 percent for the coming fiscal year.

An agenda item presented to the Trustees in November 1979 stated that

The California Postsecondary Education Commission, pursuant to a 1965 legislative mandate (SCR 51), will soon

The comment that the comparison methodology "mechanically assumes salaries at the comparison institutions to grow at a 5.7% annual rate over a two-year period" also requires a brief examination, since it implies that this growth rate does not reflect what is really happening within the comparison group. Last year's final report on salaries included a lengthy table which compared predicted and actual salaries in the comparison group over a seven-year period. That table showed that the average error was approximately  $\pm 1$  percent for the all-ranks averages, a factor which could change a predicted parity figure of 5 percent at the State University to anywhere from 4 to 6 percent. Such an error is very small and demonstrates to a reasonable certainty the ability of the "mechanical" method to predict comparison institution salaries. For the current year, this predictive mechanism has again been extremely accurate, as shown below.

TABLE 7  
PREDICTED AND ACTUAL SALARIES AT THE  
COMPARISON INSTITUTIONS  
1979-80

	Predicted Salaries 1979 Final Report	Actual Salaries	Percent Difference
Professor	\$29,427	\$29,161	-0.9%
Associate Professor	22,430	22,343	-0.4
Assistant Professor	17,949	18,036	+0.5
Instructor	14,149	14,086	-0.5
All Ranks	\$25,140	\$24,991	-0.6%

What Table 7 indicates is that the percentage shown to be required for State University faculty to achieve parity with the comparison institutions was actually 0.6 percent higher than it should have been.

## CHAPTER III

### FACULTY SALARIES AND ECONOMIC CONDITIONS

The public four-year segments, particularly the State University, have maintained with increasing regularity that the use of comparison institution data does not provide an accurate picture of the true economic status of the academic profession. Both segments have argued that additional factors, particularly changes in the Consumer Price Index, should also be considered.

Table 8 shows a composite of segmental requests, reports from the Coordinating Council for Higher Education and the Postsecondary Education Commission, amounts approved by the Governor and the Legislature, and changes in the CPI for the ten-year period beginning with the 1969-70 fiscal year. It provides a useful perspective on the changes in the economic status of California faculty members. (These data are also displayed graphically in Appendix G.)

As indicated in Footnote 2 of Table 8, the 13.5 percent estimated increase in the CPI is based on the actual figures for the first eight months of the 1979-80 fiscal year. Table 9 shows how the rate of change in the CPI for an entire year can be predicted reliably by using data from the first eight months of that year. As the table shows, the final annual rate varies from the predicted rate by only + 0.44 percent, a factor which makes possible the prediction that the 1979-80 rate will probably be between 12.3 and 13.2 percent. For the current year, however, Commission staff has estimated a rate of inflation of 13.5 percent, since the increases in the CPI during the months of December, January, and February have been dramatically higher than those of the previous five months of the fiscal year. If the rate of inflation during these three months were annualized, the CPI would show an annual increase of 15.5 percent. Given this and recent statements from the President's Council on Wage and Price Stability that inflation will probably not abate in the next several months, the 13.5 percent figure for the 1979-80 fiscal year seems reasonable. No figure is offered for the 1980-81 fiscal year since it is apparent that there are no reliable sources of information for such predictions.

TABLE 9

UNITED STATES CONSUMER PRICE INDEX, 1969-70 THROUGH 1979-80  
ANNUALIZED RATES OF CHANGE BASED ON FIRST EIGHT MONTHS'  
EXPERIENCE COMPARED TO ACTUAL RATES OF CHANGE

<u>Year</u>	<u>Annualized Rate Based on July to February Figures</u>	<u>July to June Actual Rate</u>	<u>Amount by Which Actual Rate is Greater or Lesser than Annualized Rate</u>
1969-70	5.86%	5.92%	+0.06%
1970-71	5.52	5.16	-0.36
1971-72	3.78	3.61	-0.17
1972-73	3.39	4.03	+0.64
1973-74	8.15	8.95	+0.80
1974-75	11.70	11.05	-0.65
1975-76	7.62	7.10	-0.52
1976-77	5.34	5.80	+0.46
1977-78	6.60	6.68	+0.08
1978-79	8.80	9.46	+0.66
1979-80	12.77	N/A	N/A
Average Annual Variance			+0.44%

The double-digit inflation experienced by Americans over the past several years has created a degree of national shock. Virtually every group has attempted to ameliorate the extremely negative effects of inflation by increasing its own income to a level that will equal, if not exceed, the upward price spiral. This has taken the form of intense lobbying at all levels of government by those who depend on public funds and has certainly caused employee organizations in both the public and private sectors to work hard for advantageous wage, salary, and benefit contracts. Without question, the segmental governing boards have participated in this process and have found various ways of presenting salary requests that exceed by substantial margins the percentage increases that would be required to keep pace with increases in the comparison groups. These requests, as noted earlier, are not based on any comparison methodology but on a recognition that inflation has eroded the purchasing power of University and State University faculty by substantial amounts over the past ten years, a fact clearly indicated in Table 8. Even with the 14.5 percent range adjustment approved by the Legislature last session, University faculty have lost 29.6 percent of their purchasing power since 1969 and State University faculty have lost 25.3 percent. Such losses are serious and make quite understandable the segments' dissatisfaction with the comparison system and their affection for alternative justifications keyed to the CPI.

Of course, it is not just faculty who have lost ground relative to the cost of living, although there is a strong case for the proposition that they have lost more than many other groups, if not most of them. As the Council of Economic Advisers recently noted in its annual report, "There is no doubt that real earnings of American workers declined in 1979." 12/

Table 10 below brings together data from three sources--the annual report by the American Association of University Professors, 13/ the February 1980 report from the Council of Economic Advisers, 14/ and the Commission's own data on the salary history of faculty at the University and the State University. What these data indicate is that faculty in general, and California faculty in particular, have experienced major losses in salary relative to the cost of living since 1971, losses that are expected to continue according to the AAUP.

Table 11 provides additional data on the relative position of faculty nationally. Although it utilizes annual price deflators (the percentages by which average salaries for various groups have increased or decreased each year from a given base) rather than indices, as were used in Table 10, it provides still another look at the relative position of the professoriate. In some ways, it is more useful since it makes comparisons with various professional groups, whereas Table 10 compares faculty with nonsupervisory personnel in the private sector.

Both Tables 10 and 11 clearly show, in different ways for different groups, that the faculty not only have lost ground relative to the cost of living but also have lost ground relative to many other workers, probably most of them. And in California, University and State University faculty have lost ground to the national averages for faculty as well. Even the very substantial range adjustment of 14.5 percent granted for 1979-80 has done little to narrow the gap, as illustrated by Table 12.

TABLE 11

COMPARISON OF AVERAGE ANNUAL RATES OF INCREASE  
IN REAL SALARIES PRICES FOR INDIVIDUALS  
IN DIFFERENT OCCUPATIONAL GROUPS

Occupational <u>Groups</u>	Average Annual Rate of Increase		
	1967-68 to 1977-78	1967-68 to 1972-73	1972-73 to 1977-78
Average Academic Salary	-0.8%	+0.9%	-2.4%
Wage or Salary Income of Male Year-Round Workers			
Professional and Technical	+0.1%	+1.8%	-1.5%
Managers and Professionals	+0.5	+2.2	-1.3
Clerical and Kindred	+1.3	+2.7	-0.1
Craft and Kindred	+0.8	+2.2	-0.6
Basic Annual Pay Rates for Professional and Administrative Employees of the Federal Government			
Grade P4 or GS-11	+1.0%	+1.9%	- * %
Grade P6 or GS-13	+1.1	+2.1	+0.2
Grade P8 or GS-15	+0.9	+2.1	-0.3
Average Salaries in Selected Professional and Administrative Positions in Private Industry			
Auditor III	- * %	+1.7%	-1.8%
Accountant IV	+0.5	+1.3	-0.3
Chief Accountant IV	+0.7	+2.3	-0.9
Attorney IV	+1.7	+5.4	-1.9
Attorney VI	+1.8	+5.4	-1.6
Chemist V	+ *	+0.6	-0.5
Chemist VII	-0.1	+0.5	-0.6
Engineer VI	-0.3	+0.6	-1.1
Engineer VIII	-0.6	+ *	-1.2
Job Analyst IV	-0.4	+0.1	-0.9
Buyer IV	+2.1	+4.8	-0.6
Director of Personnel III	+0.5	+1.0	0.0

\*Figure is less than one-tenth of one percent.

Sources: Academic AAUP data  
Male Workers U S Bureau of the Census, Section P-60  
Government U S Civil Service Commission  
Private Industry Bureau of Labor Statistics, National Survey for Professional,  
Technical, and Clerical Pay

TABLE 12

PERCENTAGE LAG BETWEEN UNIVERSITY OF CALIFORNIA AND  
CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY  
AND OCCUPATIONAL GROUPS REPORTED BY THE COUNCIL OF  
ECONOMIC ADVISERS, AVERAGE NATIONAL SALARIES REPORTED  
BY THE AAUP, AND THE CONSUMER PRICE INDEX

1967-68 to 1978-79 and to 1979-80

<u>Item</u>	Percentage Lag	
	<u>1967-68</u> to <u>1978-79</u>	<u>1967-68</u> to <u>1979-80</u>
Manufacturing Workers		
UC	-40.7%	-32.6%
CSUC	-33.6	-26.0
Construction Workers		
UC	-32.8	-24.4
CSUC	-26.1	-18.1
Wholesale and Retail Trade Workers		
UC	-20.6	-13.1
CSUC	-14.6	-7.4
All Faculty Nationally		
UC	-17.9	-9.2
CSUC	-12.0	-3.7
United States Consumer Price Index		
UC	-32.7	-31.6
CSUC	-26.0	-24.9

What becomes clear through Table 12 is that the 14.5 percent range adjustment granted by the Legislature prevented further losses in real salaries for faculty at the University and the State University. Where faculty at the University, for example, had lost 32.7 percent to the cost of living between 1967-68 and 1978-79, their loss was reduced by only 1.1 percent--to 31.6 percent as of 1979-80. Similarly, where State University faculty had lost 26.0 percent as of 1978-79, their loss was reduced to 24.9 percent as a result of the



14.5 percent adjustment. These gains relative to the cost of living were small because of the current 13.5 percent rate of inflation. The gains relative to the other groups, however, were much greater, as the table indicates, a fact caused by the lower percentage increases they received for the current year.

There is one apparent inconsistency between the data shown in Tables 10 and 12 and the data presented in the Commission's preliminary report to the Governor and the Legislature in December 1979. At that time it was reported that for the 1979-80 academic year, the University had a 1.63 percent lead in salaries over its comparison group while the State University had a 4.68 percent lead. In Table 12, however, it is indicated that the University and the State University have lost 9.2 and 3.7 percent, respectively, in relative position to all universities nationally as reported by the AAUP. One possible reason is that both California segments may have enjoyed an initial advantage over universities generally in 1967-68, the year which was used as a starting point. Another possibility is that a different weighting system was used by the AAUP than by the California segments. A third is that some of the lower paying colleges and universities around the country, those which are not members of the segmental comparison groups, have closed the gap by providing slightly higher annual salary increases than the comparison institutions. An overall conclusion is that California faculty have kept pace with colleges and universities generally, and with their comparison institutions in particular, but have lost ground both to the CPI and to most other occupational groups.

A few general comments about the Consumer Price Index should also be included at this point. As the Council of Economic Advisers has stated

The appropriateness of using the CPI as a measure of inflation confronting the average consumer has been called into question in recent years because of the way this index treats the purchase of homes and the associated costs of home financing. The CPI is a price index of goods and services that consumers buy; it is not a cost-of-living index. A home is an investment as well as a good purchased by consumers for current consumption. An increase in home prices is thus as much a return on savings to the homeowner in his role as an investor as it is a rise in the cost of living to the individual in his role as a consumer.

One alternative is to use a rent index to represent the costs of using the services of a house. This may give a better measure of changes in the cost of living to the average consumer, particularly during periods when the costs of homes and home finance move very sharply. When average hourly earnings are deflated by the CPI with the rent index substituted for homeownership, real earnings still show a drop in 1979, but it is more moderate. 15/

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Other writers on the subject have also objected to using the CPI, especially when it is directly translated into wage and benefit increases for various groups. Business Week magazine, for example, termed the CPI "a measure that grossly overstates the rise in living costs." 16/ While this comment may be slightly self-serving, in that it reflects the view of the business community which has an interest in holding the line on wages, it certainly deserves examination. Another author offers a more moderate view:

While conceding it would be impossible to devise a completely accurate cost-of-living index, Wells Fargo's economist (Gregory Bullen, Vice-President and Senior Economist) said there already is an index that beats the CPI.

The lesser known measurement favored by Bullen is called the Personal Consumption Expenditures (PCE) Deflator. This indicator covers most of the same goods and services as the CPI, but it uses actual buying patterns to figure the index values.

The deflator calculates housing costs by use, not price. The idea is to price all housing at the payment it would receive if rented, Bullen said.

The PCE index increased almost 10 percent from the end of 1978 through 1979, whereas the Consumer Price Index rose 12.6 percent. Which was closer to the truth? "The answer is debatable," said Bullen, "but a critical look at the data suggests that the true inflation rate was close to 11 percent--well below the CPI estimate." 17/

Economic conditions have changed so rapidly over the past few years that it is not surprising that the indices used to measure those conditions would begin to arouse some controversy. Economics, termed "the dismal science" by Thomas Carlyle in 1850, has never been known for its precision. Although the statistical tools it uses have become far more refined and sophisticated in the intervening century, so too have the complexities of economic life. The result is that the "science" of economics may not be much closer to predicting future conditions than it was in prior decades. Accordingly, while one may doubt that the CPI "grossly overstates" the real increase in the cost of living, it does appear reasonable to regard it only as a general indicator of inflation, one that gives a strong clue to economic trends, but not a precise measure.

## CHAPTER IV

### PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON GROUP PROJECTIONS

The projected 1980-81 salaries for faculty at the University of California and the California State University and Colleges are shown in Table 13. (See Appendices E and F for the computation of these figures, as well as those for the cost of fringe benefits.)

TABLE 13

ALL-RANKS AVERAGE SALARY REQUIRED AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES TO EQUAL THE COMPARISON INSTITUTION PROJECTIONS FOR 1980-81

<u>Institution</u>	<u>Salaries in 1979-80</u>	<u>Comparison Institution Salary Levels Projected for 1980-81</u>	<u>Projected Percentage Increase Required: 1980-81</u>
University of California	\$29,559	\$31,039	5.01%
California State University and Colleges	\$26,111	\$26,331	0.84%

As noted earlier, in the mid-1970s, an additional factor was included in the annual parity computations to reflect increases in the Consumer Price Index over the previous five-year period. Table 6 showed that the reinstitution of this procedure would produce an additional need of about 5 percent for each segment in 1980-81. Table 14 shows the effect the adjustment for inflation would have on the parity figures shown in Table 13.

If this adjustment had been employed for the 1979-80 budget cycle, it would not have made as significant a difference as it would this year. At that time, the annual change in the CPI had averaged about 8 percent for the previous five years, while the adjustment for the immediately preceding fiscal year was just over 9 percent. The change would have added 1.25 percent to the parity adjustments of 12.64 for the University and 10.10 percent for the State University, resulting in new totals of 13.89 and 11.35 percent, respectively, both of which would have been close to the 14.5 percent figure that the Legislature approved. This year, however, because inflation is accelerating, the CPI adjustment assumes a far greater importance.

TABLE 14

SALARY REQUIREMENTS FOR THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
WHEN ADJUSTED FOR CHANGES IN THE  
CONSUMER PRICE INDEX  
1980-81

<u>Institution</u>	Parity Requirements Using Only the Comparison Institutions	Adjustment for the Consumer Price Index	<u>Adjusted Requirement</u>
University of California	5.01%	5.32%	10.33%
California State University and Colleges	0.84%	5.32%	6.16%

There are two major differences between the senior segments in the methodology used to compute parity with the comparison institutions. The University, in deriving its figures for the all-ranks average in its comparison institutions, uses what is known as the "average of averages" approach. This method involves the computation of an average salary, by rank, for each of its comparison institutions. Each of these average salaries is then added to produce a total, which is then divided by the number of comparison institutions to produce an average for the group. The State University, on the other hand, divides the total number of faculty at that rank in all of its comparison institutions combined. An average salary for each rank is thereby obtained and used as a mean for all faculty at that rank. These methods produce a system in which each of the University's eight comparison institutions has equal weight, regardless of size, while those for the State University are differentially weighted, with the larger institutions having a greater effect on the average than the smaller institutions.

The Commission has periodically examined this difference in approach and concluded that there is no compelling reason for favoring one over the other. For this reason, and because the resulting computations produce only minor differences in the salary projections, it was decided to allow each segment to use the procedure it prefers.

A second difference in the methodology utilized by the segments is that the staffing pattern for the University is projected into the 1980-81 budget year, while that for the State University is the actual pattern for the current year. The University's success with its projections has already been discussed in Chapter 2.

It also should be noted that the parity figures for the State University are based on Fall 1979 data for only eighteen of the twenty comparison institutions. The two institutions which had not reported as of this writing were the two campuses of the State University of New York, the general campus at Albany and the College of Arts and Sciences at Buffalo.

--- It is probable that the absence of these two institutions has had a negative effect on the parity figures for the State University, since, as noted in Table 3, SUNY, Albany, is the highest paying institution in the State University's comparison group, ranking 13th in the nation in 1978-79. SUNY's College at Buffalo, on the other hand, is not listed in Table 3 since it is a category IIA institution, but would have placed 106th among the Category I group and 13th among the State University's comparison institutions. The State University has noted that these institutions were also absent in 1974 and that their omission had the effect of reducing the parity percentage for that year by 0.9 percent. The current effect of that omission is, of course, unknown

## CHAPTER V

### PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1980-81 cost of fringe benefits at the University of California and the California State University and Colleges is shown in Table 15.

Fringe benefits for faculty consist of retirement, Social Security, unemployment insurance, Workmen's Compensation, health insurance, life insurance, and disability insurance. The largest component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 15, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

There are, of course, many different types of retirement programs in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution (e.g., the University of California Retirement System--UCRS). In other cases, the program includes public agencies outside of postsecondary education (e.g., the Public Employees Retirement System--PERS, which includes State University faculty and nonacademic employees along with most other State employees).

Because the payments to and the benefits from these fringe benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he goes to a new employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

TABLE 15

ALL-RANKS AVERAGE COST OF FRINGE BENEFITS AT THE  
UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA  
STATE UNIVERSITY AND COLLEGES, REQUIRED  
TO EQUAL THE COMPARISON INSTITUTION  
PROJECTIONS FOR 1980-81

<u>Institution</u>	Cost of Fringe Benefits in 1979-80	Comparison Institution Projected Cost of Fringe Benefits in 1980-81	Projected Percentage Increase Required: 1980-81
University of California	\$7,518	\$5,306	-29.42% <sup>1</sup>
California State University and Colleges	\$7,092	\$4,828	-31.93% <sup>2</sup>

1. Adjusted for the effect of a 5.01% range adjustment.

2. Adjusted for the effect of a 0.84% range adjustment.

Another ingredient in the fringe benefit stew is the fact that not all benefits are included in the current methodology. For example, some institutions may offer, in addition to retirement programs: Social Security contributions, medical insurance, and the like; such items as tuition waivers or reductions for dependents; free athletic tickets; dental insurance; discounted housing; and similar perquisites. Such financial incentives for faculty may not be reflected in the comparisons at the present time since it can be very difficult to assign a monetary value to them, but they could have much to do with the overall attractiveness of a university to a prospective (or continuing) faculty member.

Nevertheless, the disparities between the California segments and their comparison institutions has now become so great in terms of dollar contributions that it may be time for a more penetrating examination of the entire fringe benefit question. Much more needs to be known about the exact composition of fringe benefit packages at the comparison institutions, and it is for the purpose of obtaining such information that the recommendation contained in the final section of this report is offered.

For the present, however, a caveat included in the previous two salary reports should again be stressed: the usefulness of the fringe benefit data shown in Table 15 is limited and should be used with the utmost caution. Until better data become available, the segmental view that fringe benefits for faculty should correspond to those for all other State employees, is probably the most reasonable.



## CHAPTER VI

### MISCELLANEOUS ITEMS--CALIFORNIA COMMUNITY COLLEGE FACULTY SALARIES; UNIVERSITY OF CALIFORNIA MEDICAL FACULTY SALARIES; AND FEDERAL WAGE AND PRICE GUIDELINES

#### CALIFORNIA COMMUNITY COLLEGE FACULTY SALARIES

In the Analysis of the Budget Bill, 1979-80, the Legislative Analyst recommended that the Commission include information on faculty salaries in the California Community Colleges. In response to that recommendation, the Commission published a preliminary analysis in last year's final report, one which considered data from the 1977-78 fiscal year. No data were presented for what was then the current year (1978-79) since the Chancellor's Office of the Community Colleges had abandoned such data collection as part of the cutbacks resulting from Proposition 13.

Subsequently, Commission staff proposed that submission of Community College faculty salary data be formalized, and the Legislature appropriated \$15,000 to the Chancellor's Office for that purpose. A letter to the Chancellor was drafted on August 9, 1979, detailing the specific information desired, and requesting data for 1978-79 by November 1, 1979, and data for 1979-80 by March 1, 1980, for both full-time and part-time faculty for both years. (See Appendix I.)

As the Chancellor's Office began to collect these data from the districts, it quickly became evident that the deadlines could not be met. In part, this was due to the following factors: the format required for the data was different from that used in prior years; extensive editing was required; and a number of employee salary contracts were still in the process of negotiation. In addition, data on part-time faculty had never before been collected systematically, a fact which created a number of procedural problems common to all new data collection efforts. Presumably, as experience with the necessary computer programs is gained, many of these "bugs" will be eliminated and the information will be delivered in a timely fashion.

At present, complete data are available for the 1978-79 fiscal year, but not for 1979-80. Of the seventy Community College districts, sixteen were reported as not having completed salary negotiations for the current year. In addition, none of the data for part-time faculty has been submitted by the Chancellor's Office. Accordingly, it is the Commission's present intention to submit a supplement to this report dealing exclusively with the California Community Colleges in June of this year. This will still provide time for legislative scrutiny and will not interrupt the process for the University and the State University, the only two segments for which

specific salary appropriations are made. In the future, however, it will be necessary to reach agreement with the Chancellor's Office on specific dates for the submission of data, and a recommendation to that effect is included in the final section of this report.

#### UNIVERSITY OF CALIFORNIA MEDICAL FACULTY SALARIES

Last year, for the first time, data on salaries paid to medical faculty at the University of California was included in this series of annual reports. (Those data were included as Appendix G of the Commission's final report for 1979-80.) They showed that the University stood at approximately the middle of a group of eight comparison institutions in three selected fields: Medicine, Pediatrics, and Surgery. The comparison institutions included:

Stanford University	University of Michigan
State University of New York--	University of Texas, Austin
Upstate Medical School	
University of Chicago	University of Wisconsin
University of Illinois	Yale University

The University's report to the Commission included general descriptions of the three different types of compensation plans employed by one or more of the comparison institutions, and also detailed the University's own plan. It also provided a rationale for the selection of the comparison institutions and analyzed the results of the data collected. No conclusions or recommendations were offered since none was requested in the legislative directive.

This year's report by the University uses the same group of comparison institutions and shows that the University has gained some ground relative to them. Table 16 shows the changes from 1978-79 to 1979-80.

TABLE 16

#### RANKING OF UNIVERSITY OF CALIFORNIA MEDICAL FACULTY SALARIES IN RELATION TO COMPARISON INSTITUTIONS, 1978-79 and 1979-80

UC Rank	Medicine		Pediatrics		Surgery	
	1978-79	1979-80	1978-79	1979-80	1978-79	1979-80
Professor	5th	2nd	3rd	3rd	7th	2nd
Associate Professor	4th	2nd	4th	3rd	7th	4th
Assistant Professor	6th	2nd	3rd	2nd	7th	5th

Table 17 compares the current salaries for University medical faculty at each of the three ranks with the averages for the eight comparison institutions for 1978-79 and 1979-80.

TABLE 17

UNIVERSITY OF CALIFORNIA AVERAGE MEDICAL FACULTY  
SALARIES COMPARED TO AVERAGE MEDICAL FACULTY SALARIES  
AT THE COMPARISON INSTITUTIONS  
1978-79 and 1979-80

<u>Rank/Institution</u>	<u>Medicine</u>		<u>Pediatrics</u>		<u>Surgery</u>	
	<u>1978-79</u>	<u>1979-80</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1978-79</u>	<u>1979-80</u>
Professor						
University of California	\$59,000	\$72,415	\$59,000	\$68,028	\$75,000	\$98,152
Comparison Institutions	60,625	66,599	57,375	61,905	80,000	88,703
UC Leads/Trails By	-2 7%	+8 7%	+2 8%	+9 9%	-6 3%	+10 7%
Associate Professor						
University of California	\$49,000	\$56,557	\$47,000	\$54,401	\$57,000	\$70,509
Comparison Institutions	48,750	53,444	47,125	49,724	63,625	71,094
UC Leads/Trails By	+0 5%	+5 8%	-0 3%	+9 4%	-10 4%	-0 8%
Assistant Professor						
University of California	\$40,000	\$46,228	\$39,000	\$45,005	\$48,000	\$63,054
Comparison Institutions	40,875	43,966	36,250	40,044	54,125	61,340
UC Leads/Trails By	-2 1%	+5 1%	+7 6%	+12 4%	-11 3%	+2.8%

California Postsecondary  
Education Commission

Resolution 28-78

Relating to Faculty Salaries at the  
University of California and the  
California State University and Colleges  
1978-79 -- 1979-80

- WHEREAS, The California Postsecondary Education Commission has received, reviewed, and transmitted the Preliminary Annual Report on Faculty Salaries and the Cost of Fringe Benefits at the University of California and the California State University and Colleges: 1979-80, and
- WHEREAS, This report contains data which show that the faculties of these institutions are projected to lag behind their counterparts in their comparison institutions by 12.1 and 8.8 percent, respectively, in average salaries for the 1979-80 fiscal year, and
- WHEREAS, The report also shows that increases granted to faculty members in the public four-year segments in California have lagged behind increases in the United States Consumer Price Index by approximately 25 percent over the past ten years, and
- WHEREAS, It is currently estimated that the United States Consumer Price Index will increase by another 8 percent or more during the 1978-79 fiscal year and by approximately 10 percent during the 1979-80 fiscal year, and
- WHEREAS, Faculty members at the University of California and the California State University and Colleges received no increases in their salary ranges during the 1978-79 fiscal year, and
- WHEREAS, The 1978-79 fiscal year was the third year in the past nine that no salary range adjustment was approved, and
- WHEREAS, President Carter's Council on Wage and Price Stability has stated that salary and benefit increases should not exceed 7 percent per year beginning with the current federal fiscal year, and
- WHEREAS, The Commission believes that the public interest requires the maintenance of quality faculties at the University of California and the California State University and Colleges, and

- WHEREAS, That quality is heavily dependent on the ability of those institutions to offer salaries to faculty members that are both competitive with similar institutions across the country and commensurate with increases in the cost of living, and
- WHEREAS, All of the available data and all of the methodologies that have been used to measure the appropriateness of current faculty salary levels indicate that a substantial salary increase is warranted; now, therefore, be it
- RESOLVED, That the California Postsecondary Education Commission urges the Governor and the Legislature to approve an immediate salary increase for the faculties of the University of California and the California State University and Colleges, and be it further
- RESOLVED, That the Commission urges the Governor and the Legislature to approve an additional increase for faculty in the public four-year segments for the 1979-80 fiscal year, and be it further
- RESOLVED, That the Commission urges the Governor and the Legislature to make both such increases consistent with the President's guidelines but in amounts sufficient to improve competitive parity and to prevent further erosion in current purchasing power, and be it further
- RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Director of Finance, the Legislative Analyst, and other appropriate officials.

Adopted  
December 11, 1978

California Postsecondary  
Education Commission

Resolution 4-79

Concerning the Final Annual Report on  
Faculty Salaries in California  
Public Higher Education, 1979-80

- WHEREAS, Pursuant to Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the California Postsecondary Education Commission is required to submit to the Governor and the Legislature an annual report on faculty salaries and the cost of fringe benefits at the University of California and the California State University and Colleges for the forthcoming fiscal year, and
- WHEREAS, In compliance with this directive, the Commission prepares a preliminary report in the fall, based upon early information on compensation levels in comparison institutions, for use by the Governor and the Department of Finance in preparation of the Governor's Budget, and a final report in the spring, based on updated information on compensation levels in comparison institutions, for use by the Legislature in reviewing the Budget Bill, and
- WHEREAS, This report contains information on the percentage increases in salary ranges necessary to permit the University of California and the California State University and Colleges to attain parity with the projected salaries of their respective comparison groups in 1979-80, and
- WHEREAS, This report also contains information on the changes in the United States Consumer Price Index, President Carter's anti-inflation program, and other matters relating to the economy, and
- WHEREAS, This report does not constitute a recommendation of the Commission, but only a compilation of data relating to the economic status of faculty members in the California segments; now, therefore, be it
- RESOLVED, That the California Postsecondary Education Commission transmits this report to the Governor, the Director of Finance, the Legislature, and the Legislative Analyst.

Adopted  
May 14, 1979

California Postsecondary  
Education Commission

Resolution 5-79

Relating to Faculty Salaries at the  
University of California and the  
California State University and Colleges  
1979-80

- WHEREAS, The California Postsecondary Education Commission has received, reviewed, and transmitted the Final Report on Faculty Salaries in California Public Higher Education: 1979-80, and
- WHEREAS, This report confirms the data presented in the preliminary report and indicates that the faculties of the University of California and the California State University and Colleges are now projected to lag behind their counterparts in their comparison institutions by 12.6 and 10.1 percent, respectively, in average salaries for the 1979-80 fiscal year, and
- WHEREAS, The Commission, based on its review of the preliminary report, approved a resolution calling for increases in faculty salaries in both the current and coming fiscal years, and
- WHEREAS, All of the available data and all of the methodologies that have been used to measure the appropriateness of current faculty salary levels continue to indicate that a substantial salary increase is warranted, and
- WHEREAS, Many years of experience have demonstrated that educational institutions are measured by the quality of their faculties and that the enviable reputation of California's institutions is largely due to the men and women who currently serve them, now, therefore, be it
- RESOLVED, That the California Postsecondary Education Commission reaffirms its belief, expressed in the approval of Resolution No. 28-78 (December 11, 1978), that faculty salaries at the University of California and the California State University and Colleges are inadequate and should be increased to promote the quality of education, and be it further
- RESOLVED, That such increases should be guided by the findings of this report and the standards promulgated by the Council on Wage and Price Stability, and be it further

RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Director of Finance, the Legislative Analyst, and other appropriate officials.

Adopted  
May 14, 1979



FINAL REPORT

FACULTY SALARIES  
IN CALIFORNIA PUBLIC HIGHER EDUCATION  
1979 - 1980

University of California  
California State University and Colleges  
California Community Colleges  
University of California Medical Faculty

A Report Prepared  
by the  
CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
April, 1979

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## CHAPTER I

### UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

#### INTRODUCTION

Annually, in accordance with Senate Concurrent Resolution No. 51 (1965 General Legislative Session),<sup>1</sup> the University of California and the California State University and Colleges submit to the Commission data on faculty salaries and the cost of fringe benefits for their respective segments<sup>2</sup> and for a group of comparison institutions specified for each.<sup>2</sup> On the basis of these data, estimates are derived of the percentage changes in salaries and the cost of fringe benefits required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology by which these data are collected and analyzed is designed by the Commission in consultation with the two segments, the Department of Finance, and the Office of the Legislative Analyst. Commission staff audits the data and prepares two reports, one in the fall and one in the spring, which are transmitted to the Governor, the Legislature, and appropriate officials. The report which follows is the final report for the 1979-80 budget cycle.

This report contains two major chapters: (1) an overview of faculty salaries and the cost of fringe benefits at the University of California and the California State University and Colleges; and (2) a preliminary analysis of faculty salaries in the California Community Colleges.

In addition, there is also a discussion of general economic conditions; an analysis of the comments on faculty salaries that were published by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80; and a report on medical faculty salaries that was developed by the University of California pursuant to a legislative directive. The final two items are included as Appendices.

#### HISTORY OF THE SALARY REPORTS

The impetus for the faculty salary reports came from the Master Plan Survey Team in 1960, which recommended that:

1. See Appendix A.
2. See Appendix D for the lists of comparison institutions used for the University of California and the California State University and Colleges.

3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the<sup>3</sup> testing of the assumptions underlying this report.

For the ensuing four years, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in his Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. These reports, while undoubtedly helpful to the process of determining faculty compensation levels, were considered to be insufficient, especially by the Assembly which consequently requested<sup>4</sup> the Legislative Analyst to prepare a specific report on the subject.

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51, which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council and, subsequently, the Commission, have submitted reports to the Governor and the Legislature. The first, a preliminary report, is released in December as an aid to the Department of Finance in its<sup>5</sup> development of the Governor's Budget; the second, a final report, is issued in the spring for use by the legislative fiscal committees during budget hearings.

3. A Master Plan for Higher Education in California, 1960-1975, California State Department of Education, Sacramento, California, 1960, p. 12.
4. This request came in the form of House Resolution No. 250 (Unruh) during the 1964 First Extraordinary Session of the Legislature (Appendix B).
5. Prior to 1973-74, only one report was issued for each budget cycle.

In each of these reports, faculty salaries and the cost of fringe benefits in California's four-year public segments are compared with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.<sup>6</sup> In general, other indices such as changes in the Consumer Price Index have not been employed, since the original rationale for the salary surveys was the maintenance of competitive institutional parity rather than parity vis-a-vis the cost of living. It was not intended that salary adjustments would necessarily prevent erosion in faculty purchasing power since inflation was a minor concern in 1965. The primary objective was to assure that California's public institutions would be able to attract and retain the most-qualified faculty members available and thereby at least maintain, and hopefully improve, the quality of educational programs.

Since the passage of SCR 51, the Coordinating Council and the Commission have issued reports for thirteen budget cycles. In each case, comparison institutions have been employed in determining salary and fringe benefit levels. This report, the fourteenth in the series, continues that tradition.

#### SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

Each year, the segmental central offices prepare requests for faculty salaries and the cost of fringe benefits for presentation to their respective governing boards--the Regents and the Trustees. The segmental requests for salaries and the amounts granted by the Governor and the Legislature since the 1965-66 fiscal year are shown in Table 1.

It should be noted that, although the average increase granted to State University faculty has been approximately 1 percentage point greater than that approved for University faculty over the past fourteen years, this disparity has been all but eliminated since 1968-69. In the ensuing ten years, the average increase for University faculty has been 4.0 percent, while that for State University faculty has been 4.3 percent. During the past four years, the percentage increases have been identical. Also, the ten-year period referred to includes three years when no increases were granted.

6. The methodology for the faculty salary reports is shown in Appendix C. Comparison institutions are shown in Appendix D.



TABLE 1

PERCENTAGE INCREASES REQUESTED BY THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND THE  
AMOUNTS GRANTED BY THE GOVERNOR AND THE LEGISLATURE  
1965-66 THROUGH 1979-80

<u>Year</u>	University of California		California State University and Colleges	
	<u>Requested</u>	<u>Granted</u>	<u>Requested</u>	<u>Granted</u>
1965-66	10.0%	7.0%	10.0%	10.7%
1966-67	2.5	2.5	6.1	6.6
1967-68	6.5	5.0	8.5	5.0
1968-69	5.5	5.0	10.5	7.5
1969-70	5.2	5.0	5.2	5.0
1970-71	7.2	0.0	7.0	0.0
1971-72	11.2	0.0	13.0	0.0
1972-73	13.1	9.0	13.0	8.9
1973-74	5.4	5.4	7.5	7.5
1974-75	4.7	4.5	5.5	5.5
1975-76	10.8	6.7	10.4	6.7
1976-77	4.6	4.3	7.2	4.3
1977-78	6.8	5.0	8.5	5.0
1978-79	9.3	0.0	9.9	0.0
1979-80	<u>16.0</u>	<u>N/A</u>	<u>14.4</u>	<u>N/A</u>
Total		78.11%*		101.8%*
Average		4.2%		5.2%

\*These totals are compounded to indicate the total percentage increases granted since 1964-65. No totals are shown for segmental requests since they are affected greatly by the amounts granted.

## University of California

On November 16 and 17, 1978, the University's Board of Regents discussed the faculty salary request for the 1979-80 fiscal year. The President of the University made a lengthy presentation in which he explained the role of the Commission and some of the mechanics of the process of comparing University faculty salaries to those in other universities across the country and in California. He noted that, although the University has supported the comparison method, the Governor and the Legislature have seldom approved the increases which were dictated by that methodology:

. . . the legislative process has seldom been guided by the comparison survey in over a decade. The Legislative Analyst pointed out in his analysis of the Budget Bill, 1975-76, ". . . in only one year out of ten were segmental recommendations fully implemented." Moreover, for the current year and for 1970-71 and 1971-72, despite the results of the comparison survey, the range adjustment was zero.

President Saxon also discussed the effects of inflation on University faculty, stating that the ability of the University to compete for outstanding individuals has been seriously eroded and that it would be difficult to maintain the quality of the institution unless there were substantial salary increases at all ranks. This situation is discussed further starting on page 6 of this report.

For the 1979-80 fiscal year, the Regents requested a range adjustment of 16.0 percent, as well as an adjustment in current-year salaries retroactive to October 1, 1978. The amount of that adjustment has not been specified but, if approved, will be deducted from the 16.0 percent increase proposed for 1979-80. Given President Carter's standards, which appear to propose a limit of 7.0 percent on wage increases, any retroactive increase would probably be limited to that amount.

The components of the proposed 16.0 percent increase for University faculty are as follows:

Parity lag resulting from the survey of comparison institutions <sup>8</sup>	13.42%
Additional amount needed to cover inflation for Assistant Professors	0.24
Additional amount needed to recoup some inflation for all ranks	<u>2.34</u>
Total	16.00%

7. Regents of the University of California Agenda, Item 505, p. 2, November 16, 1978.

8. Due to developments which occurred after the Regents approved the 13.42 percent figure, it should be changed to 12.15 percent. This is discussed further on pp. 17-18 of this report.

## California State University and Colleges

The State University Trustees met on November 28 and 29, 1978, and approved a faculty salary increase of 14.4 percent for 1979-80. This figure includes an 8.0 percent increase to equal the current estimated rate of inflation,<sup>9</sup> plus a 6.4 percent increase which the Chancellor's Office estimates is equal to one-fourth of the erosion in purchasing power experienced by State University faculty over the past ten years (1969-70 through 1978-79). In addition, the Trustees approved a resolution requesting a 7.0 percent increase retroactive to October 1, 1978. If this increase is granted, the 14.4 percent request will be adjusted downward.

It should be noted that the State University has not employed the Commission's comparison methodology in any way in developing its request for faculty salary increases for 1979-80; rather, it has adopted an approach that is totally dependent on changes in the United States Consumer Price Index (CPI). In this respect, the Trustees' approach is markedly different from that employed by the University Regents.

This is the second year that the State University has based its requests for faculty salary increases on changes in the cost of living. Last year, the Trustees offered several criticisms of the comparison methodology and called for a thorough reexamination of SCR 51. This year, the Commission's report and methodology were not mentioned in the written presentation to the Trustees, but it is clear that the Trustees no longer support the comparison approach in determining appropriate salary levels.

### FACULTY SALARIES AND ECONOMIC CONDITIONS

The public four-year segments, particularly the State University, have increasingly maintained that the use of comparison institution data does not provide an adequate picture of the true economic status of the academic profession. Both have argued that additional factors, primarily changes in the CPI, should also be considered.

Table 2 shows a composite of segmental requests, reports from the Coordinating Council and the Commission, amounts approved by the Governor and the Legislature, and changes in the CPI for the ten-year period beginning with the 1969-70 fiscal year. It provides a useful perspective on the changes in the economic status of faculty members.

9. That inflation rate has been updated to 9.0 percent for Fiscal 1978-79. See Table 2.

TABLE 2

SALARY INCREASES FOR FACULTY REQUESTED BY THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND  
COLLEGES, INCREASES REQUIRED TO ATTAIN PARITY WITH  
COMPARISON INSTITUTIONS, SALARY INCREASES GRANTED  
BY THE GOVERNOR AND THE LEGISLATURE, AND CHANGES  
IN THE UNITED STATES CONSUMER PRICE INDEX  
1969-70 THROUGH 1978-79

Year	Segmental Requests		CCHE/CPEC Reports		Increases Granted		Percentage Changes in the Consumer Price Index
	UC	CSUC	UC	CSUC	UC	CSUC	
1969-70	5.2%	5.2%	5.2%	5.2%	5.0%	5.0%	5.9%
1970-71	7.2	7.0	7.2	7.0	0.0	0.0	5.2
1971-72	11.2	13.0	11.2	13.0	0.0	0.0	3.6
1972-73	13.2	13.0	13.1	13.0	9.0	8.9	4.0
1973-74	5.4	7.5	6.4	8.8	5.4	7.5	9.0
1974-75	4.7	5.5	4.5	4.2	4.5	5.5	11.1
1975-76	10.8	10.4	11.0	9.7	6.7	6.7	7.1
1976-77	4.6	7.2	4.6	4.6	4.3	4.3	5.8
1977-78	6.8	8.5	6.8	5.3	5.0	5.0	6.7
1978-79	<u>9.3</u>	<u>9.9</u>	<u>8.0</u>	<u>3.3</u>	<u>0.0</u>	<u>0.0</u>	<u>9.0</u>
Totals*					47.3%	51.5%	91.6%
Average					4.0%	4.3%	6.7%

\*Compounded.

Several comments need to be made relative to the figures in this table. First, totals for "Segmental Requests" and for "CCHE/CPEC Reports" are not shown since they would only be misleading. The reason for this is that the amounts granted in any one year affect the requests for subsequent years. In other words, if a 7.2 percent increase had actually been granted to University of California faculty in 1970-71, rather than no increase, the University's request and the amount reported by the Coordinating Council for 1971-72 would have been much less than the 11.2 percent figure shown. Accordingly, totals for these columns have little meaning. Secondly, the totals shown for the "Increases Granted" and "Percentage Changes in the Consumer Price Index" columns are not directly comparable to the "Average" figures shown directly beneath them. For example, although the average annual increase in the CPI for the ten-year period shown was 6.7 percent, the total increase for the same period was 91.6 percent. Similarly, the total noted for increases granted is less than the average multiplied by ten. The reason for this is that the "Totals" have been compounded for each year of increase to more accurately reflect what actually occurred over the period of time involved.

What these data show is that over the past ten years, the amount requested by the segments has been granted once for the University and twice for the State University, although it has been close in two other years. The advice of the Coordinating Council and the Commission was adopted by the Governor and the Legislature for the University in only one year and never for the State University, but was close for both segments in four others. A comparison of the actual increases granted with the CPI shows that the University and State University faculty have lost 30.1 and 26.5 percent in purchasing power, respectively, compared to the ten-year increase in the cost of living.

Another way of looking at the problem is to compare actual salaries paid to faculty in 1968-69 with those they are paid today. In doing so, however, it is extremely important to make a distinction between changes in salary ranges and changes in average salaries (the all-ranks average). The example below illustrates the point:

<u>Example A</u>			<u>Example B</u>		
Professor	<u>Salary</u>	<u>Number of Faculty</u>	Professor	<u>Salary</u>	<u>Number of Faculty</u>
Step 1	\$23,000	100		\$23,000	500
Step 2	24,000	200		24,000	400
Step 3	25,000	300		25,000	300
Step 4	26,000	400		26,000	200
Step 5	27,000	500		27,000	100

The average salary for professors in Example A is \$25,666 while that for Example B is \$24,333 in spite of the fact that the salary range and the number of total faculty at the rank of professor is the same in both examples. Thus, comparing salaries from year to year can be hazardous, and the problem increases in complexity when one is dealing with an all-ranks average covering several faculty ranks rather than a single rank, as in the example given above.

The only way to present an accurate picture of how salaries have actually changed is to use the identical staffing pattern for all years under consideration. This technique has been used by the Commission in this report and is equally applicable to comparing faculty salaries at California institutions with institutions in other states. This is explained more fully in Appendix H which discusses the comments of the Legislative Analyst.

Table 3 below shows the average salaries, by rank, for both the University and the State University for 1968-69 and for 1978-79.

TABLE 3

RANK-BY-RANK SALARIES FOR THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1968-69 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1968-69	\$19,680	\$13,365	\$10,618	N/A
1978-79	29,630	20,533	16,964	N/A
California State University and Colleges				
1968-69	\$17,020	\$12,732	\$10,481	\$ 9,097
1978-79	26,399	20,324	16,668	14,509

In the ten-year period covered, the staffing patterns have changed dramatically, with a far greater number of faculty in the higher ranks. Although precise figures are not available for 1968-69 due to changes in the method of computing total faculty, those for 1972-73 to the present are shown below.

TABLE 4

STAFFING PATTERNS AT THE UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1972-73 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1972-73	2,123 (45.9%)	1,079 (23.3%)	1,422 (30.8%)	N/A
1978-79	2,594 (55.7%)	1,131 (24.3%)	931 (20.0%)	N/A
California State University and Colleges				
1972-73	3,727 (33.2%)	3,271 (29.1%)	3,991 (35.5%)	242 (2.2%)
1978-79	5,489 (48.3%)	3,438 (30.2%)	2,221 (19.5%)	218 (1.8%)

What Table 4 illustrates is that both segments are maturing, with a greater number of faculty members at the professor rank and fewer at the assistant professor rank. When the all-ranks averages are computed, the average salary paid would inevitably rise, even if no salary increases had been granted, since more people are located in the higher salary ranges.

The only way to provide a true picture of the effect of salary increases granted by the Governor and the Legislature is to apply the same staffing pattern to both sets of rank-by-rank averages. In the case at hand, the 1978-79 staffing pattern has been chosen.

TABLE 5

A COMPARISON OF ALL-RANKS AVERAGES FOR THE  
UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
USING RANK-BY-RANK AVERAGES FOR 1968-69 AND 1978-79  
AND THE STAFFING PATTERN FOR 1978-79

<u>Segment</u>	<u>1968-69</u>	<u>1978-79</u>	<u>Difference</u>
University of California	\$16,334	\$24,888	+52.4%
California State University and Colleges	\$14,293	\$22,432	+56.9%

In comparing the percentage differences noted above with the total increases granted (Table 2), there is approximately a 4.4 percent difference for each segment, an amount that is probably accounted for in terms of differences in the number of faculty at each step within the ranks involved. From an examination of the two tables together, however, it is fair to state that the loss of purchasing power since 1968-69 has been approximately 26 to 30 percent for the University and 22 to 26 percent for the State University. The fact that parity figures for both segments are considerably less than these amounts is a reflection of the loss of purchasing power in higher education generally.

In last year's salary report, Commission staff discussed the possibility of amending SCR 51 to include direct consideration of changes in the cost of living. The issue was stated in the following terms:

Should faculty salaries be based solely on the criterion of "equity" for the faculty member who has clearly lost economic ground in terms of inflation or should it be based on the State's legitimate interest in maintaining only a competitive balance with comparison institutions? If the "equity" argument is accepted, the State should adopt most or all of the salary increases recommended by the segmental governing boards since they have demonstrated that their faculties have not kept pace with prevailing economic conditions. If "competition" is to be the primary or sole criterion, as it has been for twelve years, the increases indicated by the data in this report should be adopted. If a compromise is desired, the Legislature and the Governor may wish to select a figure somewhere between the two.

The Commission believes that the spirit as well as the letter of SCR 51 dictates a continuation, in this report, of the past practice of presenting data from the respective comparison institutions and reporting the increases derived from that data. Not only is this valuable in maintaining a historical perspective, it is also consistent with the present understanding of legislative intent. If that understanding is inconsistent with the present philosophy of the Legislature, then it appears reasonable to ask that a new concurrent resolution be approved which will guide the Commission in future reports.<sup>10</sup>

10. Final Annual Report of Faculty Salaries and Cost of Fringe Benefits at the University of California and the California State University and Colleges: 1978-79, CPEC Agenda, April 10, 1978, p. 9.



Without question, both the University and the State University have been dissatisfied in recent years with the amounts that have been appropriated for faculty salary increases. The fact that each segment has lost substantial ground in comparison to the cost of living makes this entirely understandable, for it makes recruiting of outstanding faculty members more difficult and is detrimental to morale. But it is important to remember that in a climate of economic austerity no methodology, whether based on a comparison approach or a formula designed to reflect inflationary trends, will generate salary increases that are satisfactory to the groups receiving them. At the present time, it may appear advantageous to use an approach geared to the CPI, but it is also a fact that this technique had no advocates during the years of low inflation in the early and mid-1960s, when the results of the comparison surveys dictated salary increases greater than the average annual increase in the cost of living. If that situation should return--if the demand for faculty members should again exceed the supply and push salaries up at accelerated rates--few could doubt that the present arguments for a CPI-based salary methodology would quickly evaporate.

The probable reason why the comparison methodology has survived this long is that it actually incorporates more than mere comparisons with other institutions. Virtually all postsecondary institutions use some form of comparison method to determine the appropriate levels of compensation their faculties receive. For example, the eight institutions currently used for comparison purposes by the University each have their own comparison institutions, and those institutions use still others. Many of these colleges and universities relate their salary-setting policies directly to the cost of living, some use a comparison approach, and others use both. Virtually all of them are aware of inflation, just as are the California institutions. If one or more institutions used for comparison purposes by the California segments adjust their salaries on the basis of inflation, the parity figures employed here will be affected. In this way, the methodology used in this report will always be more comprehensive than a simple adjustment for changes in the CPI.

### Federal Wage and Price Standards

On October 24, 1978, President Carter announced his anti-inflation program in response to what he termed the "nation's most serious economic problem." In a white paper on the subject, the Council on Wage and Price Stability noted that earlier efforts to control inflation had not been successful and that a more comprehensive program is necessary.

Earlier this year, the President outlined the framework of a voluntary program that required the cooperation of government, business and labor. This program was designed to break the momentum of wage/price increases in the private sector

and to reduce government's contribution to inflation. Simultaneously, the federal budget deficit for Fiscal 1979 was reduced by some \$20 billion. These efforts have not been enough; stronger measures are required. Thus, the President has now acted:

- to intensify the anti-inflation efforts of government by
  - adopting a stringent budget policy that will create an overall climate in which the inflationary process can unwind,
  - establishing procedures that minimize the inflationary impact of government regulations, and
  - indicating his intention to veto legislative measures and other actions of government that provide benefits to narrow special-interest groups;
- to break the upward spiral of costs and prices by
  - enunciating explicit numerical standards for noninflationary wage and price increases, and
  - making clear his intention to use his administrative powers to support adherence to those standards in individual situations.<sup>11</sup>

The white paper goes on to describe the actions to be taken by the federal government to control inflation. Included among them is a goal of reducing the federal deficit and holding federal spending each year to a total of 21 percent of the Gross National Product. Obviously, these goals will be difficult to meet, and the white paper describes numerous actions to be taken to accomplish them. Some of these actions directly involve federal government employees:

In order to contribute to these goals, the President has imposed severe limits on hiring of Federal employees for an indefinite period. Effective immediately, Federal agencies may fill only one out of two vacancies as they occur. This step will reduce the number of Federal employees budgeted for this fiscal year by about 20,000. In July, the President announced a 5.5 percent limitation on Federal employee pay raises and a freeze on Federal executive pay levels.<sup>12</sup>

11. Fact Book: Wage and Price Standards, Council on Wage and Price Stability, p. 3, October 31, 1978.

12. Ibid.

In its preliminary report on 1979-80 faculty salaries, Commission staff indicated that there was considerable uncertainty as to the exact meaning and applicability of the wage and price standards. It was noted that the regulations obtained from the Council on Wage and Price Stability seemed to relate only to the private sector and that the Council had not yet developed regulations for governmental entities, including higher education faculty. Since then, these ambiguities have been resolved.

On Monday, February 5, 1979, Commission staff attended a conference on the standards in Oakland, sponsored by the University of California's Institute of Industrial Relations at Berkeley. In attendance were Robert Russell, the Deputy Director of the Council on Wage and Price Stability; Robert J. Flanagan, Senior Staff Economist of the Council of Economic Advisors; Clark Kerr, former Director of the Institute (as well as former President of the University); and a number of others representing business, labor, the legal profession, and government. From the presentations made and the ensuing discussions, the following was made clear:

1. The wage and price standards definitely apply to government agencies at all levels, including all colleges and universities.
2. Within any given federal fiscal year (October 1 to September 30), salary and benefit increases granted to employee groups (including State employees and faculty members) may not exceed 7 percent.
3. Merit salary adjustments are included within the 7 percent limit and must be accounted for on a group basis. The standards do not apply to individuals; once a percentage amount for the group is factored in, an individual may receive both the salary increase and the merit increase, even though the combination of the two is greater than 7 percent. Also, salary increases resulting from promotions do not fall within the 7 percent limitation.
4. Any increases in fringe benefits must be accounted for within the 7 percent limit.

What this means for those employees covered by this report, as well as for all State employees in general, is that California is really working with two fiscal years, the period between July 1 and September 30 and the period between October 1 and June 30. Accordingly, and since State employees received no salary adjustments during the current California fiscal year, it would be possible for the Legislature to appropriate funds in a number of ways:

1. An increase not to exceed 7 percent retroactive to October 1, 1978, and another increase of 7 percent beginning October 1,

1979. The latter increase would have to commence on October 1 and not July 1, since the July 1 date would generate a 14 percent increase for the last quarter of the federal fiscal year. Also, the 7 percent figure would have to be adjusted to account for fringe benefits and merit increases.

2. No retroactive increase but two increases within the California fiscal year, the first running from July 1 to September 30 and the second from October 1 to June 30, 1980. Each increase could be for 7 percent, adjusted downward for fringe benefit and merit increases.
3. A 7 percent increase for the California fiscal year 1979-80. This increase would probably not have to be adjusted for merit increases since it would bridge two federal fiscal years where 14 percent is allowable.

Two bills have been introduced in the Senate which adopt one or another of these approaches. The first is SB 91 (Alquist) which provides for an increase of 5 percent from the date the bill is signed to the end of the 1978-79 fiscal year, a retroactive increase in the same amount to October 1, 1978, and a 7 percent salary increase for the 1979-80 fiscal year. The bill applies to all State employees, including University and State University faculty.

The second bill is SB 575 (Paul Carpenter) and provides for a 7 percent salary increase from July 1, 1979 to September 30, 1979 and another 7 percent increase from October 1, 1979 to June 30, 1980. This bill applies only to University and State University faculty.

As the standards now read, the Carpenter bill is in compliance but the Alquist bill is not. To be in compliance the Alquist bill would have to be amended to make the 1979-80 increase effective on October 1, 1979.

#### PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON GROUP PROJECTIONS

The projected 1979-80 salaries for faculty at the University of California and the California State University and Colleges are shown in Table 6. (See Appendices E and F for the computation of these figures as well as those for the cost of fringe benefits.)

TABLE 6

ALL-RANKS AVERAGE SALARY REQUIRED AT THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY  
AND COLLEGES TO EQUAL THE COMPARISON  
INSTITUTION PROJECTIONS FOR 1979-80

<u>Institution</u>	<u>Salaries in 1978-79</u>	<u>Comparison Institution Salary Levels Projected for 1979-80</u>	<u>Projected Percentage Increase Required: 1979-80</u>
University of California	\$25,337	\$28,538	12.64%
California State University and Colleges	\$22,401	\$24,663	10.10%

There are two major differences in the segmental computations. The University, in deriving its figures for the all-ranks average in its comparison institutions, uses what is known as the "average of averages" approach. This method involves the computation of an average salary, by rank, for each of its comparison institutions. Each of these average salaries is then added to produce a total, which is then divided by the number of comparison institutions to produce an average for the group. The State University, on the other hand, divides the total amount of money paid to all faculty at each rank by the total number of faculty at that rank in all of its comparison institutions combined. An average salary for each rank is thereby obtained and used as a mean for all faculty at that rank. These methods produce a system where each of the eight University comparison institutions has equal weight, regardless of size, while those for the State University are differentially weighted, with the larger institutions having a greater effect on the average than the smaller institutions.

A further word of explanation on this difference in methodology seems appropriate. The University argues that it competes directly for faculty with its comparison institutions, as well as with other institutions of like quality and mission. For this reason, that segment considers it more appropriate to compare rank-by-rank average salaries with institutional ranks. Conversely, the State University believes that a more accurate average can be obtained by using the mean of all salaries paid at each rank. The fact that this tends to make the larger institutions more important in determining the average is also considered appropriate, since more faculty are exchanged between the State University and those institutions than with the smaller ones.

The Commission has periodically examined this difference in approach and concluded that there is no compelling reason for favoring one over the other. For this reason, and because the resulting computations produce only minor differences in the projections, it was decided to allow each segment to use the procedure it prefers.

The second difference in the methodology utilized by the segments is that the staffing pattern for the University is now projected into the 1979-80 budget year while that for the State University is the actual pattern for the 1978-79 year.

The 1979-80 budget cycle is the second year that the University of California has projected its staffing pattern into the budget year. In the Commission's preliminary report, it was noted that the University's projections for 1978-79 were inaccurate to a significant extent and that the projections for 1979-80 seemed to continue that level of inaccuracy.

Table 7 shows the 1978-79 projections together with the estimate used for the preliminary report:

TABLE 7

PROJECTED AND PRELIMINARY REPORT ESTIMATES FOR THE NUMBER  
OF FACULTY AT EACH RANK AT THE UNIVERSITY  
OF CALIFORNIA, 1978-79

<u>Rank</u>	<u>Projection</u>	<u>Preliminary Report Estimate</u>	<u>Percentage Difference</u>
Professor	2,835.00	2,593.56	-8.5%
Associate Professor	971.55	1,131.38	+16.45
Assistant professor	865.89	931.24	+7.55
Total	4,672.44	4,656.18	-0.35

This table shows that while the estimate for the total number of faculty to be employed in the budget year was quite accurate (0.35%), the rank-by-rank projections were not. Nevertheless, this error would not have had a dramatic effect on the overall percentage increase in salaries indicated by the methodology, since the rank-by-rank averages for both the comparison group and the University were weighted by the same staffing pattern. Thus, while the percentage indicated in the final report (1978) was 7.96 percent using the projected pattern, it would have been 7.82 percent if the actual figures had been available at that time, a difference of only 0.14 percent.

The error in question came to the attention of both the University administration and Commission staff at approximately the same time and extensive discussions were held in an attempt to resolve the problem. Commission staff has long believed that a projection of the staffing pattern is preferable to the use of a prior-year pattern or even a current-year estimated pattern, since it eliminates the need for artificial adjustments in the figures to reflect such factors as merit increases and promotions. Obviously, however, the projections must be accurate to be useful and, at that time, the requisite accuracy was missing.

The staffing pattern projection originally developed by the University for the 1979-80 fiscal year showed a distribution of faculty among the three ranks similar to that projected for 1978-79. This distribution produced a parity need of 13.42 percent, the amount approved by the Regents in October before the errors were discovered. Subsequently, the University proposed a modification of the projections, a modification that was used for the preliminary report. The changes were outlined in a letter from Vice President Kleingartner to Director Callan (Appendix I).

It should be mentioned that the process of predicting a staffing pattern involves the consideration of four variables: (1) estimates of the number of new appointments; (2) the number of separations (retirements, resignations, leaves of absence, and deaths); (3) the number of promotions; and (4) the number of merit increases that will be granted. Some of these factors affect the average salary at each rank, some affect the number of people at each rank, and some affect both. An error in any one of them will affect the overall percentage figures indicated for parity.

In order to adjust the staffing pattern to reflect more accurately the experience of prior years, the University assumed the same level of merit increases and promotions that had been in evidence in prior years, rather than attempt to make a detailed prediction. For this final report, however, that prediction has been refined, with the result that the staffing pattern projection for 1979-80 has been revised slightly from the preliminary report. Table 8 shows the staffing patterns for the University since 1972-73, together with three projections for the 1979-80 fiscal year: (1) the original projection for the preliminary report; (2) the revised projection for the preliminary report, which excludes specific projections of merit increases and promotions; and (3) the projection for the final report. It should be noted that the revised projection for the preliminary report and the new projection contained in this final report are consistent with the trends of previous years.

TABLE 8  
UNIVERSITY OF CALIFORNIA STAFFING PATTERNS,  
1972-73 THROUGH 1979-80

<u>Year</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Total</u>
1972-73	2,120.00	1,079.00	1,422.00	4,621.00
1973-74	2,210.00	1,096.00	1,339.00	4,645.00
1974-75	2,295.00	1,126.00	1,223.00	4,644.00
1975-76	2,392.00	1,156.00	1,181.00	4,729.00
1976-77	2,492.00	1,230.00	1,125.00	4,847.00
1977-78	2,501.98	1,141.47	965.74	4,609.19
1978-79	2,593.56	1,131.38	931.24	4,656.18
1979-80				
Original Fall Projection	2,978.63	915.26	836.91	4,730.80
Amended Fall Projection	2,557.66	1,141.88	1,031.26	4,730.80
Spring Projection	2,706.91	1,086.55	937.34	4,730.80

#### Accuracy of the Comparison Institutions' Projections

From time to time, questions have arisen concerning the accuracy of the projections of salaries to be paid by the comparison institutions in the forthcoming budget year. As noted previously, the preliminary report involves the projection of comparison institution salaries at each rank for a two-year period. When updated information is obtained from these institutions in the spring, the projection is made again, but only for one year. For this report, comparison institution data is available for the 1978-79 fiscal year and is projected forward one year, to 1979-80. In the preliminary report, data for the 1977-78 year was used and the projection made for two years, to 1979-80.

Table 9 shows the history of these projections from 1972-73 to 1978-79. These years were chosen since the lists of comparison institutions remained constant for the entire period.

What these figures show is that the projections for the comparison institutions have been remarkably accurate over the years, especially in the final report, when updated information from the comparison institutions is available. Additionally, these data do not



TABLE 9

COMMISSION PROJECTIONS OF UNIVERSITY OF CALIFORNIA AND CALIFORNIA  
STATE UNIVERSITY AND COLLEGES' COMPARISON INSTITUTION  
FACULTY SALARIES WITH ACTUAL SALARIES RECEIVED  
1972-73 THROUGH 1977-78

Year	UC Comparison Group Salaries			% Actual Higher Than Projection		CSUC Comparison Group Salaries			% Actual Higher Than Projection	
	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring
<b><u>Professors</u></b>										
1972-73	\$24,191	\$23,292	\$23,243	-3.9%	-0.2%	\$20,492	\$20,023	\$20,001	-2.4%	-0.1%
1973-74	24,333	24,296	24,482	+0.6	+0.8	21,693	21,049	20,978	-3.3	-0.3
1974-75	24,679	25,596	25,863	+4.8	+1.0	22,195	21,979	22,053	-0.6	+0.3
1975-76	26,761	27,040	27,586	+3.1	+2.0	23,027	23,067	23,937	+4.0	+3.8
1976-77	28,275	29,115	28,828	+2.0	-1.0	24,103	25,286	25,171	+4.4	-0.5
1977-78	31,032	30,365	30,386	-2.1	+0.1	26,713	26,510	26,121	-2.2	-1.5
1978-79	31,983	32,059	32,383	+1.2	+1.0	27,920	27,537	27,813	-0.4	+1.0
Cumulative Error <sup>1</sup>				+0.81	+0.53				-0.07	+0.34
Mean Predictive Error <sup>2</sup>				+2.53	+0.87				+2.47	+1.07
<b><u>Associate Professors</u></b>										
1972-73	\$16,652	\$16,204	\$16,439	-1.3%	+1.5%	\$15,960	\$15,425	\$15,385	-3.6%	-0.3%
1973-74	16,945	17,218	17,004	+0.3	-1.2	16,558	16,182	16,115	-2.7	-0.4
1974-75	17,839	17,756	17,876	+0.2	+0.7	17,000	16,889	17,077	+0.5	+1.1
1975-76	18,540	18,570	18,829	+1.6	+0.9	17,699	17,881	18,330	+3.6	+2.5
1976-77	19,499	19,672	19,524	+0.1	-1.3	18,558	19,294	19,024	+2.5	-1.4
1977-78	20,971	20,444	20,646	-1.5	+1.0	20,336	19,985	19,836	-2.5	-0.7
1978-79	21,406	21,609	21,943	+2.4	+1.5	20,994	20,941	21,227	+1.1	+1.3
Cumulative Error <sup>1</sup>				+0.26	+0.44				-0.16	+0.30
Mean Predictive Error <sup>2</sup>				+1.06	+1.16				+1.64	+1.10
<b><u>Assistant Professors</u></b>										
1972-73	\$13,313	\$12,999	\$12,895	-3.1%	-0.8%	\$12,873	\$12,680	\$12,652	-1.7%	-0.2%
1973-74	13,660	13,524	13,481	-1.3	-0.3	13,582	13,272	13,224	-2.6	-0.4
1974-75	14,271	14,119	14,032	-1.7	-0.6	13,897	13,840	13,941	+0.3	+0.7
1975-76	14,786	14,651	14,827	+0.3	+1.2	14,485	14,557	14,845	+2.5	+2.0
1976-77	15,297	15,530	15,509	+1.4	-0.1	15,119	15,586	15,371	+1.7	-1.4
1977-78	16,430	16,219	16,365	-0.4	+0.9	16,424	16,098	16,055	-2.2	-0.3
1978-79	16,962	17,164	17,447	+2.8	+1.6	16,859	16,842	17,058	+1.2	+1.3
Cumulative Error <sup>1</sup>				-0.29	+0.27				-0.11	+0.24
Mean Predictive Error <sup>2</sup>				+1.57	+0.79				+1.74	+0.90
Cumulative Error (All Ranks)				+0.26	+0.41				-0.11	+0.29
Mean Predictive Error (All Ranks)				+1.72	+0.94				+1.95	+1.02

1 The Cumulative Error is derived by adding the seven minus (-) and plus (+) values together and dividing by seven.

2 The Mean Predictive Error is derived by adding the numerical values (ignoring the pluses and minuses) and dividing by seven.

TABLE 1

## UNIVERSITY OF CALIFORNIA

Projected 1979-80 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries 1979-80
	1973-74	1978-79		
(1)	(2)	(3)	(4)	(5)
Professor	\$24,482	\$32,383	5.75%	\$34,246
Associate Professor	17,004	21,943	5.23	23,091
Assistant Professor	13,481	17,447	5.29	18,371

TABLE 2

## UNIVERSITY OF CALIFORNIA

Percentage Increase in UC 1978-79 All Ranks Average Salary  
Required to Equal the Comparison Group Projections for 1979-80,  
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
(Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Salaries 1978-79	Comparison Group Projected Salaries 1979-80	Percentage Increase Required in UC 1978-79 Salaries
(1)	(2)	(3)	(4)
Professor	\$30,065	\$34,245	13.91%
Associate Professor	20,620	23,091	11.98
Assistant Professor	17,150	18,370	7.12
All Ranks Average	\$25,337 <sup>1</sup>	\$28,538 <sup>1</sup>	12.64%

1. Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 2,706.91; Associate Professor, 1,086.55; Assistant Professor, 937.34. Total staff: 4,730.80.

TABLE 3

## UNIVERSITY OF CALIFORNIA

Projected 1979-80 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits	
	1973-74	1978-79		1979-80	
(1)	(2)	(3)	(4)	(5)	
Professor	\$4,254	\$6,094	7.45%	\$6,548	
Associate Professor	2,891	4,109	7.28	4,408	
Assistant Professor	2,346	3,383	7.59	3,640	

TABLE 4

## UNIVERSITY OF CALIFORNIA

Percentage Change in UC 1978-79 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1979-80, Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Cost of Fringe Benefits <sup>1</sup> 1978-79	Comparison Group Average Cost of Fringe Benefit Projections 1979-80	Percentage Change Required in UC 1978-79 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	\$6,929	\$6,548	- 5.50%
Associate Professor	4,969	4,408	-11.28
Assistant Professor	4,250	3,640	-14.35
All Ranks Average	\$5,948 <sup>2</sup>	\$5,481 <sup>2</sup>	- 7.86%
Less Adjustment for the Effect of a 12.64% Range Adjustment		- 664	-11.16
Adjusted Parity Requirement		\$4,817	-19.02%

1. Based on \$692.60 plus 20.74% of average salary.

2. Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions; Professor, 2,706.91; Associate Professor, 1,086.55; Assistant Professor, 937.34. Total staff: 4,730.80.

TABLE 1

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1979-80 Salaries for Comparison Group  
Based Upon Compound Rate of Increase in Average Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	Comparison Group Average of Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries 1979-80
	1973-74	1978-79		
(1)	(2)	(3)	(4)	(5)
Professor	\$20,978	\$27,813	5.80%	\$29,427
Associate Professor	16,115	21,227	5.67	22,430
Assistant Professor	13,224	17,058	5.22	17,949
Instructor	10,223	13,403	5.57	14,149

TABLE 2

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Increase in CSUC 1978-79 All Ranks Average Salary  
Required to Equal the Comparison Group Projections for 1978-79,  
Based on Five-Year Compound Rate of Increase in Comparison Group Salaries  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

Academic Rank	CSUC Average Salaries 1978-79	Comparison Group Projected Salaries 1979-80	Percentage Increase Required in CSUC 1978-79 Salaries
(1)	(2)	(3)	(4)
Professor	\$26,319	\$29,427	11.81%
Associate Professor	20,361	22,430	10.16
Assistant Professor	16,648	17,949	7.81
Instructor	14,533	14,149	- 2.64
All Rank Average	\$22,401 <sup>1</sup>	\$24,775 <sup>1</sup>	10.60%
Less Turnover and Promotions		- 112	- 0.50
Adjusted Total		\$24,663	10.10%

1. Based on CSUC 1978-79 staffing: Professor, 5,489; Associate Professor, 3,438; Assistant Professor, 2,221; Instructor, 218. Staff Total: 11,366.

TABLE 3

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Projected 1979-80 Cost of Fringe Benefits for Comparison Group  
Based Upon Compound Rate of Increase in Average Fringe Benefit Costs  
(Weighted by Total Faculty by Rank in all Comparison Institutions)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits	
	1973-74	1978-79		1979-80	
(1)	(2)	(3)	(4)	(5)	
Professor	\$2,998	\$4,709	9.45%	\$5,154	
Associate Professor	2,411	3,807	9.57	4,171	
Assistant Professor	2,012	3,094	8.99	3,372	
Instructor	1,555	2,393	9.00	2,609	



TABLE 4

## CALIFORNIA STATE UNIVERSITY AND COLLEGES

Percentage Change in CSUC 1978-79 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1979-80 Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in all Comparison Institutions)

<u>Academic Rank</u>	CSUC Average Cost of Fringe Benefits <sup>1</sup> 1978-79	Comparison Group Average Cost of Fringe Benefit Projections 1979-80	Percentage Change Required in CSUC 1978-79 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	\$6,157	\$5,154	-16.29%
Associate Professor	5,304	4,171	-21.36
Assistant Professor	4,560	3,372	-26.05
Instructor	3,890	2,609	-32.93
All Ranks Average	\$5,543 <sup>2</sup>	\$4,460 <sup>2</sup>	-19.54%
Less 0.5% Turnover & Promotions, Automatic Salary/Benefit Adjustment, and an Adjustment for the Effect of an 10.10% Range Increase			
Adjusted Parity Requirements		- 395	- 7.13
		\$4,065	-26.67%

1. Based on \$1,740 plus 16.98 percent of average salary at each rank.

2. Based on CSUC 1978-79 staffing: Professor, 5,489; Associate Professor, 3,438; Assistant Professor, 2,221; Instructor, 218. Total Faculty: 11,366.

APPENDIX G

Report on Medical School Clinical Compensation Plans  
and Clinical Faculty Salaries

University of California and Comparison Institutions

# UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

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Office of the President

BERKELEY, CALIFORNIA 94720

March 23, 1979

Mr. Patrick M. Callan, Director  
California Postsecondary Education Commission  
1020 - 12th Street  
Sacramento, California 95814

Dear Pat:

Pursuant to the Budget Conference Committee's Supplemental Report to the 1978-79 Budget Act, I am pleased to transmit the attached report titled "University of California Medical School Clinical Compensation Plans and Clinical Faculty Salaries."

Please let me know if you have any questions concerning this report or if you require additional information.

Sincerely,

D. S. SAXON

David S. Saxon  
President

Enclosures (5)

cc: The Honorable Albert S. Rodda  
Chairman, Senate Finance Committee (2 copies)  
The Honorable Daniel E. Boatwright  
Chairman, Assembly Ways & Means Committee (2 copies)  
Director of Finance Richard T. Silberman  
Legislative Analyst William R. Hamm  
Associate Vice President Thomas E. Jenkins  
Special Assistant Lowell J. Paige

Office of the President  
March, 1979

UNIVERSITY OF CALIFORNIA  
REPORT ON MEDICAL SCHOOL CLINICAL COMPENSATION PLANS AND  
CLINICAL FACULTY SALARIES

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UNIVERSITY OF CALIFORNIA  
Report on Medical School Clinical Compensation Plans and  
Clinical Faculty Salaries

This report responds to Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill which recommends that:

UC shall report to CPEC annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution) and (2) the number of compensation plan exceptions in effect at each UC school.

This report discusses the issues in the above supplemental language by providing:

1. a description of the type of compensation plans utilized by each UC school and each comparison institution (Section I),
2. a discussion of the University's full-time clinical faculty salaries and those of its comparison institutions (Section II); and
3. a report on compensation plan exceptions (Section III).

#### I. Clinical Compensation Plans

##### General

Clinical compensation plans are compensation arrangements created by medical schools to provide competitive income for physicians and other faculty with direct patient-care responsibility as well as to further the academic goals of the medical schools. As stated by the Association of American Medical Colleges (AAMC) in their December, 1977 report on An In-Depth Study of Seven Medical Practice Plans,

"The most commonly stated plan objective is the attraction and retention of quality faculty through the provision of acceptable compensation levels not achievable through other salary sources. An additional objec-

tive quite prevalent among the . . . plans is the use of plan revenue to help achieve departmental and schoolwide program enrichment with stable, flexible funds."

The AAMC reviewed the medical practice plans of the 112 M.D. degree-granting fully accredited medical schools in the U.S. and concluded that the plans could be characterized by the degree of central control exercised over the details of the plans' operations, along a "centralized/decentralized" axis. A summary of the three basic types of clinical compensation plans was developed by the AAMC as follows:

Type A - a highly centralized compensation approach, characterized by two basic and interrelated features. First, all patient-care fees are collected and deposited to central accounts, usually with few references to the origin of the bill beyond the requirements of accurate book-keeping and physician liability and accountability for services rendered. Second, physicians are placed on either individually set or departmentally fixed incomes based on a predetermined compensation schedule which recognizes such features as academic rank, previous or current clinical services, and additional merit or service features.

Type B - an intermediate arrangement in which some common policy framework exists for patient-care fee collection and disbursement. In this approach a general policy is set for all medical school faculty with patient-care responsibilities, requiring that they follow specified billing and collection procedures through a central office or departmental offices. Compensation is determined by a formula which recognizes the productivity of patient-care activities as well as academic factors such as rank and scholarship. Such compensation arrangements usually set broad ranges for total compensation, recognizing the aforementioned features, with set maxima either by department, school, or specialty.

Type C - the least disciplined arrangement, which allows wide variation by individual department or among specialties as to how patient-care fees are collected and subsequently distributed. The most extreme example permits the faculty member to bill and retain virtually all of the billable practice income with some requirement to reimburse the institution for overhead cost (office space, hospital fees, etc.). Table 2 (p. 11), provides a further description of this medical practice plan typology, indicating by directional arrows the kind of movement that typically occurs in the organization of a practice plan--from no plan to decentralized, to intermediate, and to centralized.

University of California Uniform Medical School Clinical Compensation Plan  
The University of California uniform Medical School Clinical Compensation Plan, approved by The Regents in November, 1977 for implementation in 1978, falls within the Type B category. It provides a uniform framework for patient-care billing and sets uniform compensation maxima based on academic rank and step. The Plan provides sufficient flexibility so that specific parameters for the various medical specialties or disciplines within the same department may be established as long as the maximum compensation arrangements established by the Plan are not exceeded.

The key features of this Plan are:

1. The eleven-month regular faculty salary scale approved by The Regents for each faculty rank forms the base salary for all medical school ladder rank faculty. There is no differential in the base salary between medical school faculty and general campus faculty.
2. Arrangements for compensation in addition to the base salary are limited to three types.
  - a. Negotiated Income - This is an amount of additional compensation



determined by a department or school that a clinician can earn via contribution of income from patient-care (and certain other specified income sources) to a group or pooled income system. There is an absolute ceiling on this amount, as discussed below.

b. Income Limitation Arrangements - These are arrangements whereby the faculty member may retain, subject to assessments, income directly from patient-care activities. Assessments are progressive and reach a nearly confiscatory level at approximately three times the faculty member's base salary.

c. Combination Plans - These are arrangements whereby faculty members share a predetermined portion of a pooled amount and are allowed to retain individual earnings beyond that amount up to a maximum ceiling.

3. Membership in this Plan is mandatory for all clinical faculty with patient-care responsibility who hold an appointment at 50% or more time, and all income from professional services performed by these faculty is subject to the terms of the Plan.

4. Accounting standards and monitoring practices are specified in the guidelines for implementation of this Plan. Along with the Plan and guidelines, accounting procedures have been developed which are consistent with the Plan objectives.

#### Comparison Data Survey

One of the principal features of the uniform Medical School Clinical Compensation Plan is a provision for periodic review of the established compensation maxima. In Section IV (Compensation), which sets forth the formulae for deriving maximum compensation, provision IV.B.6 states:

Compensation levels and assessment rates will be reviewed periodically by the Vice President--Academic and Staff Personnel Relations in light of comparison data from University of California Medical Schools as

well as from other comparison institutions. On the basis of the Vice President's report, the President, after consultation with the Academic Senate, may recommend adjustments in the compensation levels in this Plan to The Regents.

A set of comparison institutions was selected and a statistical method adopted that would yield the requisite data to satisfy this provision of the Medical School Clinical Compensation Plan as well as the requirement for an annual report to the California Postsecondary Education Commission.

#### Selection of Comparison Institutions

Eight institutions that represent comparable programs were selected from public and private sectors. Five of the institutions are public in character and three are private. The institutions selected represent a diverse spectrum and sufficient variation of settings and practice plan arrangements to provide valid comparisons. Appendix B (see pp. 19-20) provides a brief description of the various compensation plans used by the comparison institutions.

#### Comparison Institutions

<u>Name</u>	Public or Private	Compensation Plan
*Stanford	Private	yes
State Univ. of New York- Upstate Medical School	Public	yes
Univ. of Chicago	Private	yes
*Univ. of Illinois	Public	no
*Univ. of Michigan	Public	yes
Univ. of Texas, Houston	Public	yes
*Univ. of Wisconsin	Public	yes
*Yale University	Private	yes

The comparison institutions included five that are also in the general campus survey (noted by asterisks). In addition, the University of Texas, Houston, and the State University of New York-Upstate Medical School were selected because they are part of larger multicampus systems with more than one medical school.

## II. Compensation Survey

### A. Data Collection

Compensation plan information was obtained from the eight comparison medical schools by means of a questionnaire (see Appendix A, pp. 16-18). The questionnaire was followed by phone calls, and a special meeting which took place during the October, 1978 meeting of the AAMC in New Orleans. At that special meeting of the comparison schools, there was an extended discussion of the practical aspects of medical salary and practice plan management, and arrangements were made to meet and/or consult each year and to regularly exchange data. Further, Mr. William L. Storey, Higher Education specialist with the California Postsecondary Education Commission, was consulted about this comparison study, and has agreed to meet to discuss in detail the methodology and conclusions.

### B. Selection of Departments and Disciplines

Comparison of medical schools' salaries raises problems which do not occur in comparing salaries of general campuses. On general university campuses, overall salary averages for a given professorial rank are a good reflection of what the individual faculty member is actually paid at that rank. In medical schools, however, there is great variation in individual salaries, and an overall salary average for a given medical school is statistically unreliable. For that reason, it was not possible to use overall salary averages from the comparison medical schools in

this study. Statistics from the annual AAMC report of clinical salaries were similarly of little utility since they tend to aggregate salaries from a variety of clinicians, both full and part-time, without sufficient disaggregation in the sample to make the data useful for this survey. The method that was devised to avoid the above problems was to select a stratified sample of three clinical specialties which are commonly found in schools of medicine and which typically represent a range of compensation within medical schools. The three clinical specialties selected are (a) Pediatrics, typically at a lower level of compensation; (b) Medicine, typically at a mid-level compensation, and (c) Surgery, typically at a higher compensation. These three clinical specialties are taken as representative of the medical schools at large and are used as the base for developing the data for this study. The salary data received from the thirteen medical schools (five from UC and eight from comparison institutions) are treated as follows: a single weighted-average compensation is constructed from the five UC medical school responses for each of the three specialties. That weighted average is displayed in a ranked table (ranked by professorial compensation) together with the responses from the eight comparison medical schools (see Tables 3, 4, and 5, pp. 12, 13, and 14).

### C. The Method

For each of the specialties a simple average of the resulting table of nine weighted averages is then calculated, as well as the standard deviation, and entered at the bottom of each of Table 3, 4 and 5. The single average for the five medical schools is examined in each of the three ranked tables to determine where that average falls within the sample of nine weighted averages; i.e., whether or not that particular average deviates significantly from the general average. The

tables reflect the following:

- a. where the UC average falls within one standard deviation,
- b. where the UC average is with respect to the average for the group as a whole, and
- c. whether the UC average is within one standard deviation of the group average.

If the UC average is, in fact, within one standard deviation from the group average, then the UC average can be considered to be not statistically different from that of the group as a whole.

#### D. Results of the Clinical Salary Comparison and University of California Standing in Each Category

Tables 3, 4, and 5 (see pp. 12, 13, and 14) indicate that the University's average compensation is consistent with the overall average for each specialty, as displayed below:

#### AVERAGE FULL PROFESSOR COMPENSATION - ABSTRACTED FROM TABLES 3, 4, 5.

Medicine		Pediatrics		Surgery	
High	67,000	High	67,000	High	88,000
Average	60,440	UC	59,000	Average	79,440
UC	59,000	Average	57,560	UC	75,000
Low	54,000	Low	51,000	Low	67,000

From the table above, the following conclusions are drawn:

1. In Medicine (Table 3, p.12), average professorial compensation ranges from a high of \$67,000 per year to a low of \$54,000, with an average of \$60,440. The UC average for Medicine is \$59,000, slightly below the group average.
2. In Pediatrics (Table 4, p.13), average professorial compensation ranges

from a high of \$67,000 per year to a low of \$51,000, with an average of \$57,560. The UC average for Pediatrics is \$59,000, slightly (but not significantly) higher than the group average (within one standard deviation from the average).

3. In Surgery (Table 5, p. 15), average professorial compensation ranges from a high of \$88,000 per year to a low of \$67,000, with an average of \$79,440. The UC average for Surgery is \$75,000, somewhat (but not significantly) below the group average.

Within each of the three specialties, the spread of salaries is not great, supporting the assumption that the selected medical schools are comparable. In each of the tables for the three specialties, the University's average compensation is close to the overall average, as is displayed in the table above. For these reasons, the compensation being paid in University of California medical schools can be considered to be representative, competitive and appropriate. Therefore, there appears to be no need at this time to alter the current compensation formulas.

### III. Exceptions to the Plan

Requests for exceptions, including individual exceptions, to the Medical School Clinical Compensation Plan may originate with the individual department, and, subject to approval by the Dean, are then forwarded to the campus Chancellor for the next approval step. The Chancellor then consults with the campus Academic Senate. If the Chancellor approves the exception, the request is recommended to the President for final approval. All approved exceptions to compensation limits must be reported to the Board of Regents.

As part of the implementation of the Plan it was agreed that certain limited existing arrangements would be permitted to continue. Other than these exceptions, no individual exceptions have been made. Irvine has been permitted to delay implementation of the Plan until January, 1980 in order to accommodate the campus conversion from a gross to a net clinical fee compensation plan.

TABLE 1

## COMPARISON INSTITUTIONS - MEDICAL SCHOOLS

Stanford University

State University of New York -  
Upstate Medical School

University of Chicago

University of Illinois

University of Michigan

University of Texas, Houston

University of Wisconsin

Yale University

T A B L E 2

MEDICAL PRACTICE PLAN TYPOLOGY

PLAN FEATURES	TYPE A Centralized ←			TYPE B Intermediate ←			TYPE C Decentralized		
Organization & Participation									
* Structure	A discretely recognized entity, either within or external to the medical school, having its own personnel, budget and procedural guidelines			A common framework for clinical practice activity exists within which departmental or specialty groups function			A variety of clinical practice arrangements for academic departments or medical specialties are permitted		
* Policy Determination	All practicing clinicians are included and directly and/or indirectly through their representative meet with institutional officials to focus only on clinical practice - related issues			Most clinical disciplines are participants in deliberations about clinical practice - related issues identified by institutional officials			Executive faculty and the dean consult as necessary during the routine conduct of general meetings		
Operations									
* Administration	A full-time manager supervises the day-to-day plan operation with responsibility for all administrative services supporting the practice of medicine.			A member of the dean's regular administrative staff is the focus for coordination of many plan support services			Either the department head or his designate directs administrative support services.		
* Fee Handling	All clinical practice related revenue flows through the Plan Office which renders bills, collects fees and disburses income			Uniform procedures for billing, collection and disbursement of fees are implemented			Options for billing, collection or disbursement of fees are available to academic departments or medical specialties		
Private Medical Schools	12			10			3		
Public Medical Schools	21			16			5		

The above table is taken from An In-Depth Study of Seven Medical Practice Plans--Association of American Medical Colleges, December, 1977, p 14

The arrows show the kind of movement that typically occurs in the organization of a practice plan, from no plan, to decentralized, to intermediate, and to centralized



TABLE 3  
AVERAGE SALARY (In 1000's of Dollars)  
MEDICINE DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF.	ASSISTANT PROF.
E	67	55	50
F	65	45	37
D	63	49	42
B	62	52	42
A	61	52	42
UC <sup>1</sup>	59	49	30
C	59	44	38
G	54	48	42
H	54	45	34
Average	60.14	48.78	40.78
Standard Deviation	4.18	3.73	4.47

1. Weighted average of data from UC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

TABLE 4  
AVERAGE SALARY (In 1000's of Dollars)

PEDIATRICS DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF	ASSISTANT PROF
B	67	63	44
D	60	44	38
E	59	51	30
UC <sup>1</sup>	59	47	39
F	58	47	39
A	58	48	40
G	55	41	35
C	51	43	34
H	51	40	30
Average	57.56	47.11	36.56
Standard Deviation	4.90	6.92	4.69

<sup>1</sup> Weighted average of data from UC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

TABLE 5  
AVERAGE SALARY (In 1000's of Dollars)  
SURGERY DEPARTMENT

Effective Date  
Fall 1978

Date Report Prepared  
December 3, 1978

INSTITUTION	PROFESSOR	ASSOCIATE PROF	ASSISTANT PROF
A	38	75	59
E	37	73	62
C	37	59	52
B	34	65	58
D	78	55	56
G	76	61	54
GC <sup>1</sup>	75	57	48
F	73	59	46
H	57	52	46
Average	79.14	62.89	53.44
Standard Deviation	7.40	3.10	5.85

1 Weighted average of data from GC Medical Schools (Davis, San Francisco, Los Angeles, Irvine, San Diego)

## APPENDIX A

## UNIVERSITY OF CALIFORNIA

## Annual Medical School Faculty Salary Survey

## Instructions

The form will be provided for three departments only, General Medicine, Pediatrics, and Surgery. Three categories of compensation are identified with definitions. These are:

1. Base or Guaranteed Component - the base salary derived from University of California salary scales for that rank and guaranteed by the University exclusive of fringe benefits;
2. University of California Uniform Medical School Clinical Compensation, or expected compensation, not including the base salary described in 1, above, which is received through or as a result of the operation of, and the individual faculty member's participation in, the University of California Uniform Medical School Clinical Compensation Plan, and
3. Grand Total Compensation - the sum of the monies associated with items 1 and 2 above, divided by the head count for that line of the questionnaire.

In each case, one calculates the average for each box in the questionnaire by totalling all the monies involved in that category and then by dividing by the head count for that line of the questionnaire. Reasonable estimates of the year's earnings should be reported -  
or last year's actual earnings with any estimated increment.  
Please specify the method used in the "comments" section at the bottom of each questionnaire.

For the departments specified above, include only 12 month salaries for full-time paid faculty utilizing September 1 budget figures whenever possible. Include the full salary of faculty on sabbatical leave. Exclude those faculty at affiliated institutions, full salary for vacant positions, house staff and fellows in all ranks and part-time and volunteer faculty.

Attached is a list of the subspecialties to be included within three departments (General Medicine, Pediatrics and Surgery). If you have any questions, please phone R.D. Menhenett at (415):642-1454.

SURGERY

GENERAL SURGERY  
THORACIC  
CARDIO-VASCULAR  
E.N.T.  
UROLOGY  
NEUROSURGERY  
ORTHOPEDICS  
PLASTIC

MEDICINE

GENERAL  
CARDIOLOGY  
ENDOCRINOLOGY  
GASTROENTEROLOGY  
HEMATOLOGY  
HEPATOLOGY  
INFECTIOUS DISEASE  
NEPHROLOGY  
RHEUMATOLOGY  
PULMONARY

PEDIATRICS

ALL, INCLUDING  
PEDIATRIC  
CARDIOLOGY

CAMPUS \_\_\_\_\_

DATE THE REPORT WAS PREPARED \_\_\_\_\_

UNIVERSITY OF CALIFORNIA  
MEDICAL SCHOOL FACULTY SALARY SURVEY

EFFECTIVE DATE \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

RANK

COMPENSATION

Base Salary or  
Guaranteed  
Component (Average)\*

Uniform Compensation  
Plan Component  
(Average)\*

Grand Total  
Compensation  
(Average)\*

Rank

Headcount

Professor

Associate  
Professor

Assistant  
Professor

Instructor

\*Average salary for each of the three compensation columns should be computed by dividing the total dollars by the headcount for each rank.

Comments or qualifications: \_\_\_\_\_

## APPENDIX B

### Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools

1) Stanford University

Stanford has a new practice plan that is currently being written and is not yet available.

2) State University of New York - Upstate Medical School

Overall management of the practice plan is vested in a governing board consisting essentially of the President, the Dean of the Medical School and the medical school department chairmen. The departments have considerable autonomy, and keep the accounts and do the billing. The State is paid for overhead costs, and the Medical School levies a surcharge on gross practice plan income for its own use. (A Type "B" or Type "C" Plan)

3) University of Chicago

General guidelines are issued to the departments by the Dean's office. Within those guidelines, individual practice plans are negotiated on a departmental basis. The medical school is experimenting with a surcharge, and with various kinds of non-salary incentives. Currently, however, the individual departments have a good deal of autonomy. (A Type "C" Plan)

4. University of Illinois

No formal practice plan exists. The medical school provides centralized billing facilities. Beyond that, what happens is the result of individual negotiation between the individual faculty member, his department and the Dean's office.

5. University of Michigan

The plan is centralized, with a formal central business office run by a full-time Director who reports directly to the Dean of the Medical School. The central business office establishes policy, does billing and handles



disbursements. The individual departments have comparatively little autonomy. The plan was phased in gradually over the five-year period from 1973 to 1978. (A Type "A" Plan)

6) University of Texas at Houston

The plan is controlled by a Board of Directors consisting of the President, V.P. for Business Affairs and the department chairmen. The plan provides for central billing and disbursement of funds; however, individual faculty salaries are set through individual negotiation between a faculty member and his department chairman. The departments have considerable autonomy. (A Type "B" or Type "C" Plan)

7) University of Wisconsin

Although a written plan exists, its net effect is to vest authority in the individual departments. Each department creates in effect its own individual practice plan and does pretty much as it pleases, subject to certain maximum salary constraints written into the central plan. (A Type "B" or Type "C" Plan)

8) Yale University

The practice plan consists of a series of brief salary guidelines published by the Dean which set up a framework for salary payment and establish the permissible salary ranges within which an individual faculty member may be paid. Each department develops its own practice plan, in negotiation with the Dean's office. Individual salaries are recommended by the department chairman and approved by the Dean. (A Type "C" Plan)

## Appendix H

### An Analysis of the Report by the Legislative Analyst

## AN ANALYSIS OF THE REPORT BY THE LEGISLATIVE ANALYST

In his Analysis of the Budget Bill, 1979-80, the Legislative Analyst included a lengthy section on the subject of faculty salaries and commented extensively on the Commission's preliminary report on the same subject, published in December 1978. The Commission's report indicated that current faculty salaries at the University of California and the California State University and Colleges, when compared with salaries for their comparison institutions, would require increases of 12.15 percent and 8.82 percent, respectively, for 1979-80 in order to achieve parity. The Analyst's statements supported a contrary position and offered data to show that, in his view, salaries paid to faculty at the University of California and the California State University and Colleges were quite favorable to those paid to faculty in other states.

While no formal conclusions or recommendations were made, the Analyst's view was so markedly different from that offered by both of the four-year segments, and by the Commission in its preliminary report, that an analysis of the data presented by the Analyst appears to be in order.

On page 1393 of the Analysis, the comment is made that "the [Commission's] report compares California faculty salaries to those in a selected group of postsecondary education institutions. These institutions are selected on the basis of a functional classification system developed by the American Association of University Professors (AAUP)." Since this comment sets the stage for much of the subsequent discussion, and since it is in error, a clarification of how comparison institutions are actually selected is necessary.

The comparison institutions used by the Commission for the University and the State University are not currently selected on the basis of the AAUP categorizations, although there was a time (1970-71 through 1972-73) when those for the State University were. In the entire history of the comparison methodology, however, the AAUP categories have never been employed for the University of California.

Dating back to the origin of the Master Plan for Higher Education in California, 1960-1975, it has been consistent public policy that the University of California should be among the first rank of institutions nationally, a status that has been consistently maintained and justified over the years. It is clear that by its admission requirements, advanced degrees granted, faculty awards, curricular diversity, faculty qualifications, and national recognition, the University of California has earned its reputation as one of a select group of the most prestigious educational establishments in the nation and, indeed, the world. For this reason, it is difficult to

compare the University with all of the colleges and universities which fall within the minimum standards necessary to qualify as one of the AAUP's Category I institutions. To illustrate, qualification for Category I is based solely on the fact that an institution has granted a minimum of fifteen earned doctorates per year for the most recent three years of the survey in at least three nonrelated fields. During the 1976-77 academic year, the University granted the following number of doctorates in the specified number of fields shown below:

<u>Campus</u>	<u>Earned Doctorates Granted</u>	<u>Number of Disciplines</u>
Berkeley	754	20
Davis	401	14
Irvine	154	12
Los Angeles	642	17
Riverside	88	9
San Diego	208	11
San Francisco	353	9
Santa Barbara	153	10
Santa Cruz	<u>35</u>	<u>6</u>
Total	2,788	26*
Average	309.8	12

\* Unduplicated total

It is appropriate that the University's comparison institutions be equally distinguished, a principle that has been maintained throughout the history of the salary reports, including the present one.

The list of comparison institutions currently in use for the California State University and Colleges also bears no necessary relationship to the AAUP categories. In the three years noted above (1970-71--1972-73), however, the AAUP's Category I list was employed as the comparison base.

In 1974 the Commission established a special committee of its members to consider the entire reporting procedure for determining faculty salary increases, including a consideration of whether comparison institutions should be used in any methodology. After deliberating for several months, the committee determined that the methodology then in use, a methodology utilizing comparison institutions, should be continued, with the list of comparison institutions for the University to remain unchanged.

Those for the State University were more difficult to select. In the strictest sense, there are no institutions in the United States that are directly comparable, since the State University is not allowed to offer the doctorate. As a result, the Commission committee formed an advisory group consisting of representatives from the four-year segments, the Department of Finance, the Legislative Analyst's Office, and Commission staff. The committee was charged with establishing criteria for selecting comparison institutions for the State University and from these, a comparison group. Criteria were subsequently approved by the Commission, the major elements of which are shown below. (A complete list of the criteria are shown in Appendix C. The comparison institutions for the State University are shown in Appendix D.)

#### Criteria for Selecting Comparison Institutions

1. Comparison institutions should be large and offer both undergraduate and graduate instruction, excluding the following:
  - a. Institutions with less than 300 faculty members;
  - b. The top twenty doctorate degree granting institutions in the nation (these institutions awarded nearly half of all doctoral degrees awarded in the United States between 1959-60 and 1968-69);
  - c. Community Colleges and colleges without graduate programs;
  - d. Institutions staffed with religious faculty;
2. Comparison institutions should be in states which support their institutions at a level generally comparable to the support provided in California;
3. Comparison institutions should be among the largest institutions with graduate programs in the country (At the time the list was developed, the State University had nine of the top twenty such institutions.); and

4. Comparison institutions should not include any that are used for the University of California.

In support of his view that " . . . California faculty--particularly those in the University of California system--are receiving an extremely high level of support from the taxpayers of California that compares most favorably with faculty in other states," the Analyst offers a review of four indices:

1. The current year (1978-79) salary situation;
2. Actual 1977-78 salaries paid at comparable public institutions;
3. Actual 1977-78 salaries paid at the comparable eight institutions when ranked by campus with the University of California; and
4. The patterns of faculty transfer to other institutions.

In his comments, the Analyst advises the reader to bear in mind that the Commission projects salaries into the next budget year and that it "hides salary differences at individual ranks" by using an all-ranks average. He goes on to state that, "If we examine the estimated current year data (1978-79) by rank, we see that there is not a great disparity in the salaries paid, particularly at the lower associate and assistant professor levels." To support this statement, the Analyst presents the following Tables 5 and 6<sup>1</sup> which show that, in 1978-79, Professors at the University lag behind their comparison group by 7.6 percent, Associate Professors by 5.0 percent, and Assistant Professors by 1.2 percent. Comparable figures for the State University in Table 6 are 4.8 percent, 3.3 percent, and 1.6 percent, respectively. All data for both tables, except for the column labeled "Comparison Group Lag" are taken from the Commission's preliminary December report.

**Table 5**  
**UNIVERSITY OF CALIFORNIA**  
**Percentage Increase in UC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1979-80,**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Equal Weight to Each Comparison Institution)**

<i>Academic Rank</i>	<i>UC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in UC 1978-79 Salaries</i>
Professor	\$29,630	\$32,080 (7.6%)	\$33,884	14.15%
Associate Professor	20,533	21,608 (5.0%)	22,616	10.14
Assistant Professor	16,964	17,163 (1.2%)	18,002	6.12
All Ranks Average	\$24,673 *		\$27,670 *	12.15

\* Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor 2,537 66; Associate Professor 1,141.88; Assistant Professor 1,031.26. Total staff: 4,730.80

1. Tables 5 and 6, Analysis of the Budget Bill, 1979-80, page 1396.

Table 6  
**CALIFORNIA STATE UNIVERSITY AND COLLEGES**  
**Percentage Increase in CSUC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1978-79,**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Weighted by Total Faculty by Rank in All Comparison Institutions)**

<i>Academic Rank</i>	<i>CSUC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in CSUC 1978-79 Salaries</i>
Professor .....	\$26,399	\$27,718 (4.8%)	\$29,820	10.69%
Associate Professor .....	20,324	21,021 (3.3%)	22,125	8.86
Assistant Professor .....	16,668	16,930 (1.6%)	17,772	7.50
Instructor .....	14,509		14,171	-2.33
All Rank Average .....	\$22,165 *		\$24,232 *	9.32%
Less Turnover and Promotions .....			-111	-0.50
Adjusted Total .....			24,121	8.82

\* Based on CSUC 1977-78 staffing: Professor 5,101, Associate Professor 3,554, Assistant Professor 2,464, Instructor 203. Staff Total 11,322.

First, with respect to projecting salaries into the next budget year, it should be remembered that the Analysis is directed to that budget year, which is the one now under consideration by the Legislature. Secondly, there should be no concern that the Commission is "hiding" figures by using an all-ranks average; individual rank-by-rank figures have been included as an appendix in every salary report the Commission has published.

A few words are also appropriate to explain exactly what an "all-ranks average" is and why it is employed. It is a weighted average used as a computational tool for determining the amount of money necessary to produce a specified percentage increase for all three professional ranks (four ranks if that of Instructor is included). In order for the Governor and the Legislature to appropriate funds for a specified percentage increase, it is necessary to compare a single figure with another single figure. That is the function of the all-ranks average and it would not be possible to make a single percentage appropriation without it.

Concerning Tables 5 and 6 in the Analyst's report, it should be noted that the percentage lags indicated are produced by an inappropriate method. First, at the time the Analyst's report was published, current-year figures (1978-79) for the comparison group were not available. Therefore, the figures published as current-year salaries for the comparison institutions were not the actual averages but only estimates, a fact which was not noted. In addition, if the Analyst had used the same divisor employed by the Commission to show the percentage increases required for parity in 1979-80, his estimates of lag in the current year would have been greater than the amounts he reported. This is shown on the following page.

Academic Rank	Lag Reported by the Legislative Analyst	Lag as Computed by Commission Staff
University of California		
Professor	7.6%	8.2%
Associate Professor	5.0	5.2
Assistant Professor	1.2	1.2
California State University and Colleges		
Professor	4.8%	5.0%
Associate Professor	3.3	3.4
Assistant Professor	1.6	1.6

Actual current-year salaries for the comparison institutions are now available, and it may be useful to compare them with those being paid at the University and the State University.

ACTUAL CURRENT-YEAR FACULTY SALARIES  
FOR THE UNIVERSITY OF CALIFORNIA, THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES,  
AND THEIR COMPARISON INSTITUTIONS  
1978-79

Academic Rank	<u>UC/CSUC Salaries</u>	<u>Comparison Insti- tution Salaries</u>	<u>Difference</u>
University of California			
Professor	\$29,630	\$32,383	9.3%
Associate Professor	20,533	21,943	6.9
Assistant Professor	16,964	17,447	2.9
California State University and Colleges			
Professor	\$26,399	\$27,813	5.4%
Associate Professor	20,324	21,227	4.4
Assistant Professor	16,668	17,058	2.3



The remainder of the Analyst's report on faculty salaries is primarily concerned with the University of California. Table 7 of the Analysis<sup>2</sup> is shown below. In the table, the salaries paid at various institutions across the country in 1977-78 are compared with those at the University.

**Table 7**  
**UC Faculty Compared to Major**  
**Public Institutions of Comparable Function**  
**1977-78 AAUP Data**  
**(dollars in thousands)**

<i>Institution</i>	<i>Professor</i>		<i>Associate Professor</i>		<i>Assistant Professor</i>		<i>All</i>	
	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>
<b>California</b>								
University of California (All)	2,589	\$29.5	1,257	\$20.6	1,186	\$17.1	5,032 <sup>b</sup>	\$24.4
Percent	51.5%		25.0%		23.5%		100%	
<b>New York</b>								
Albany	232	29.7	211	21.5	200	16.1	643	
Binghamton	141	29.7	138	21.7	115	15.7	394	
Buffalo	309	30.8	308	21.4	188	16.2	805	
Stoney Brook	233	30.7	183	21.6	134	15.6	550	
All	915	\$30.3	840	\$21.5	637	\$15.9	2,392	\$23.4
Percent	38.3%		35.1%		26.6%		100%	
<b>Michigan</b>								
MSU	921	26.4	526	20.7	448	17.1	1,895	
UM	929	29.7	392	21.3	340	17.0	1,661	
Wayne St.	333	28.8	302	21.9	387	16.6	1,022	
West. M.	235	24.4	301	18.6	217	15.4	773	
All	2,418	\$27.8	1,521	\$20.7	1,412	\$16.7	5,351	\$22.9
Percent	45.2%		28.4%		26.4%		100%	
<b>Wisconsin</b>								
Madison	784	26.7	259	19.2	284	16.6	1,327	
Milwaukee	237	26.5	228	19.4	232	16.7	697	
All	1,021	\$26.7	487	\$19.3	516	\$16.6	2,024	\$22.3
Percent	50.4%		24.1%		25.5%		100%	
<b>Illinois</b>								
Urbana	957	28.2	590	19.9	476	16.6	2,023	
Ch. Circle	250	27.4	300	20.0	285	16.1	835	
All	1,207	\$28.0	890	\$19.9	761	\$16.4	2,858	\$22.4
Percent	42.4%		31.2%		26.6%		100%	
<b>Texas</b>								
Austin	624	\$28.1	438	\$20.3	553	\$16.7	1,615	\$22.1
Percent	38.6%		27.1%		34.3%		100%	
<b>Harvard<sup>a</sup></b>	512	\$33.7	94	\$20.9	219	\$16.7	825	\$27.7
Percent	62%		11.4%		26.6%		100%	
<b>Stanford<sup>a</sup></b>	450	\$32.2	130	\$21.9	163	\$17.5	743	\$27.2
Percent	60.5%		17.5%		22%			

<sup>a</sup> Major private institutions shown for informational purposes.

<sup>b</sup> AAUP data reports more positions than CPEC, however, average salaries are nearly identical.

2. Ibid., page 1397.

First, the table is based on 1977-78 data which are not applicable to the present report. Second, the table includes nine institutions which are not on the University's list of comparison institutions and excludes two that are. As a result, the table shows that the all-ranks average for the University exceeds the all-ranks averages of other groups of institutions by various amounts.

The Analyst explains the reason for this approach is that "The University of California prefers to compare salaries for its entire system only with the salaries paid at the premier campus of other systems." Nevertheless, the Analyst uses the same approach. Four of the institutions listed for Michigan include the University of Michigan, Michigan State University, Wayne State University, and Western Michigan University (the latter two are comparison institutions for the California State University and Colleges), all of which have separate governing boards and which are not part of the same system.

In Wisconsin, the Analyst uses the Madison and Milwaukee campuses of the University of Wisconsin system. While they are part of the same system, it should be noted that Wisconsin combined its university centers with its state colleges into a single governing mechanism, and there is no reasonable basis for comparing the Milwaukee campus with any of the campuses of the University of California.

The only state in which the comparison is valid is New York where the Analyst shows four campuses of the State University of New York system. All are university centers and any or all of them could be used as University of California comparison institutions. However, since they have a single salary schedule, using one is sufficient.

There is one additional problem with Table 7 which may result from a misunderstanding of the function of the all-ranks average. In that table, the Analyst derives all-ranks averages for each group of institutions and compares them to the University of California all-ranks average.

The purpose of an all-ranks average is to generate a figure that will permit the appropriation of a specified amount of money to grant a specified percentage increase in salaries. To do that requires the use of the staffing pattern for the institution to which the money is appropriated, not the institution with which the comparison is made. The following example illustrates the point,

Institutions A and B have the following salary structures:

Institution A	<u>Salary</u>	Number of Faculty
Professor	\$25,000	1,500
Associate Professor	20,000	1,000
Assistant Professor	15,000	500

Institution B		
Professor	27,500	500
Associate Professor	22,500	1,000
Assistant Professor	17,500	1,500

#### All-Ranks Averages

Institution A	21,667
Institution B	20,833

The example shows that Institution B clearly has the higher salaries at each rank, \$2,500 in each case. However, due to the operation of each institution's staffing pattern, Institution A has the higher all-ranks average by a factor of 4.0 percent. By that standard, it would appear that Institution B should receive a 4.0 percent increase in salary *in spite of the fact that it is already ahead of Institution A*. If, however, Institution A's staffing pattern is applied to Institution B, the truth emerges: Institution B is actually ahead of Institution A by 11.5 percent, *not the other way around*. It should be also noted that the procedure works just as well in reverse (i.e., if Institution B is the institution for which the comparison is being made) and that the size of the faculty has no effect on the procedure, since both institutions have the same number of faculty.

Applying this to the case at hand produces similar results. If the University of California's staffing pattern is used for the various states listed in Table 7 of the Analysis, the following results:

#### All-Ranks Averages

<u>State</u>	<u>Analyst's Report</u>	<u>As Adjusted for UC Staffing Pattern</u>
California (UC)	\$24,400	\$24,400
New York	23,400	24,700
Michigan	22,900	23,400
Wisconsin	22,300	22,500
Illinois	22,400	23,200
Texas	22,100	23,500
Harvard	27,700	26,500
Stanford	27,200	26,200

What the table shows is that the University of California was actually behind New York State instead of ahead of it, and that the difference in the other states is not as great as it appears. Further, it also shows that the University is not as far behind Harvard and Stanford as the Analyst indicates.

The remainder of the Analyst's report is primarily concerned with a comparison of salaries at individual University of California campuses with those at individual campuses of the comparison group and with other institutions. From this, someone unfamiliar with the salary process might conclude that faculty at one campus of the University are paid at higher (or lower) rates than those at other campuses. Such a conclusion would be incorrect since the University has a single salary schedule for all campuses, based on the assumption that faculty on all of the campuses are equal in all respects. The fact that the average salaries are not the same on all campuses is not evidence of different rates of pay but of differences in staffing patterns (the number of individuals within each of the academic ranks), with the higher salaries generally reflecting the maturity of the campus. In general, the more mature the campus, the greater the number of faculty in the higher ranks, a situation which has the effect of increasing the all-ranks average.

APPENDIX I

Letter From Vice President Kleingartner to Director Callan

# UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

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SANTA BARBARA • SANTA CRUZ

Office of the Vice President--  
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

November 16, 1978

Patrick M. Callan  
California Postsecondary Education Commission  
1020 - 12th Street  
Sacramento, California 95814

Dear Mr. Callan:

I am submitting herewith Tables 1 and 2 (as amended) for your use in the full report of the Commission on Faculty Salaries and Fringe Benefits. You will note that the amended tables take account of the effect of estimated separations and new appointments on the staffing pattern and on average salaries by rank for 1979-1980; they do not take account of the effect of projected merit increases and promotions.

The difficulties with the figures in the original tables came to our attention at approximately the same time that they were perceived by Mr. Storey of your staff. To put the matter briefly, it became obvious that our projections of the 1979-1980 staffing pattern were in error. Moreover it was quickly established that the error arose from our projections of the effect of merit increases and promotions. Since merit increases tend to increase average salaries in each rank and promotions decrease average salaries in each rank, it is essential to review the comparative consequences of these two separate factors for the final computations. To our regret, we have found that we cannot accomplish that review in time to meet the deadline for the full report of the Commission. Hence, we have submitted the amended tables described above for your use in that report. We will, of course, have completed our analysis of the merit increase and promotion issue in the very near future and will reflect the necessary corrections in the submission for the Spring report of the Commission. I greatly regret this difficulty and regret any inconvenience it may have caused.

I would like to comment, however, on some features of the amended tables. There is a real sense in which the first three figures in the last line of Table 1 (amended) speak eloquently of our need. There one may observe that the University of California falls behind the mean of the comparison institutions by approximately 14 percent, 10 percent and 6 percent at the ranks of Professor, Associate Professor and Assistant Professor respectively. Those are important figures. To be sure, the all ranks average figure is required to establish the cost of adjustments necessary to achieve parity. A more definitive figure for that purpose will appear in our Spring submission when we have completed the

analysis noted earlier in this letter. Incidentally it is interesting to note that in 1977-1978, the most recent year for which AAUP data are available, six of our eight comparison institutions were ahead of the University of California at the Professorship. Indeed, one can count in the September 1978 issue of the AAUP Bulletin, some twenty outstanding American universities including some one might think in a lesser category, which led U.C. at the level of Professor in 1977-1978.

I want to thank you and your staff for your understanding cooperation in respect to the materials for the Fall report. We shall shortly have our house in order in that respect.

Sincerely,



Archie Kleingartner  
Vice President

Attachments

cc: President Saxon  
Vice President Fretter  
Associate Vice President Jenkins  
Dr. Washburn  
William Storey

APPENDIX J

University of California Supplementary Information



THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS

TABLE A-3  
AVERAGE UC FACULTY FRINGE BENEFITS  
(Employer Contributions)  
1978-79

RETIREMENT/FICA <sup>1</sup>				18.75% of salary
UNEMPLOYMENT INSURANCE				0.32% of salary
WORKMEN'S COMPENSATION				1.25% of salary
HEALTH INSURANCE -- ANNUITANTS				0.42% of salary
HEALTH INSURANCE	\$622.40			
LIFE INSURANCE	16.20			
NON-INDUSTRIAL DISABILITY INSURANCE	<u>54.00</u>			
	<u>TOTAL</u>	\$692.60	plus	20.74% of salary

SOURCE: Office of Budgetary Planning

THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE VICE PRESIDENT--  
ACADEMIC AND STAFF PERSONNEL RELATIONS

Table A-4

Average Comparison Institution Salaries

Average Comparison Institution Salaries

Institution	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
		<u>1977-78</u>	
A	\$32,210 (3)	\$21,847 (1)	\$17,488 (1)
B	26,666 (8)	19,296 (8)	16,473 (4)
C	30,815 (4)	21,358 (2)	16,104 (5)
D	32,307 (2)	20,540 (5)	15,355 (8)
E	29,270 (6)	20,888 (4)	16,597 (3)
F	30,179 (5)	20,493 (6)	16,101 (6)
G	27,980 (7)	19,815 (7)	16,071 (7)
H	33,661 (1)	20,928 (3)	16,733 (2)

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Average	\$30,386	\$20,646	\$16,365
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1972-73

A	\$23,318 (4)	\$16,789 (3)	\$13,330 (2)
B	21,169 (8)	16,100 (5)	12,958 (4)
C	25,309 (2)	18,073 (1)	13,808 (1)
D	25,487 (1)	15,622 (7)	11,929 (8)
E	22,287 (6)	16,349 (4)	13,319 (3)
F	23,017 (5)	15,958 (6)	12,605 (6)
G	21,559 (7)	15,619 (8)	12,909 (5)
H	23,800 (3)	17,000 (2)	12,300 (7)

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Average	\$23,243	\$16,439	\$12,895
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Note: Confidential data received from comparison institutions include 9- and 11-month full-time salaries for all schools and colleges except health sciences.

UNIVERSITY OF CALIFORNIA  
SUPPLEMENTARY TABLES

TABLE B-1  
FULL-TIME FACULTY BY RANK 1978-79 (actual)<sup>a</sup>

<u>Rank</u>	<u>FTE</u>	<u>Percent</u>
Professor	2,593.56	55.70%
Associate Professor	1,131.38	24.30%
Assistant Professor	931.24	20.00%
Instructor	<u>0.00</u>	<u>0.00%</u>
	4,656.18	100.00%

<sup>a</sup>Full-time faculty by rank, by budgeted FTE. General campus, 9- and 11-months basis appointments. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

TABLE B-2  
NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1978

9-Months	With Doctorate		Without Doctorate		Total	
	N	%	N	%	N	%
<u>Professors</u>						
New	22	78.6	6	21.4	28	100.00
Continuing	2,348	88.3	312	11.7	2,660	100.00
Total	2,370	88.2	318	11.8	2,688	100.00
 Associate Professors						
New	17	100.0	-	0.0	17	100.00
Continuing	1,098	89.8	125	10.2	1,223	100.00
Total	1,115	89.9	125	10.1	1,240	100.00
 Assistant Professors						
New	103	89.6	12	10.4	115	100.00
Continuing	798	75.3	262	24.7	1,060	100.00
Total	901	76.7	274	23.3	1,175	100.00
 <u>Instructors</u>						
New	-	0.0	-	0.0	-	100.00
Continuing	1	50.0	1	50.0	2	100.00
Total	1	50.0	1	50.0	2	100.00
 All Ranks	4,387	85.9	718	14.1	5,105	100.00
 Lecturers	513	45.5	641	55.5	1,154	100.00

<sup>a</sup> Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1 which are computed on an FTE basis.

<sup>b</sup> Includes regular ranks titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source Bio-bibliographical Services (Bio-Bib) records on UC faculty

TABLE B-2 (continued)

NUMBER<sup>a</sup> AND PERCENT OF NEW AND CONTINUING FULL-TIME  
FACULTY<sup>b</sup> WITH DOCTORATE AS OF JULY 1, 1978

<u>11-Months</u>	<u>With Doctorate</u>		<u>Without Doctorate</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Professors</u>						
New	2	100.0		0.0	2	100.00
Continuing	510	96.2	20	3.8	530	100.00
Total	512	96.2	20	3.8	532	100.00
<u>Associate Professors</u>						
New	2	100.0		0.0	2	100.00
Continuing	114	95.8	5	4.2	119	100.00
Total	116	96.0	5	4.0	121	100.00
<u>Assistant Professor</u>						
New	12	85.7	2	14.3	14	100.00
Continuing	123	96.1	5	3.9	128	100.00
Total	135	95.1	7	4.9	142	100.00
<u>Instructor</u>						
New	-	0.0	-	0.0	-	100.00
Continuing	-	0.0	-	0.0	-	100.00
Total	-	0.0	-	0.0	-	100.00
All Ranks	763	96.0	32	0.4	795	100.00
Lecturers	39	76.5	12	23.5	51	100.00

<sup>a</sup>Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1, which are computed on an FTE basis.

<sup>b</sup>Includes regular rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source Bio-bibliographical Services (Bio-Bib) records on UC faculty

TABLE B-3  
NUMBER<sup>a</sup> AND PERCENT OF FULL-TIME FACULTY<sup>b</sup> WITH  
TENURE OR SECURITY OF EMPLOYMENT 1978-79

	<u>Total Number of Faculty</u>	<u>Faculty with Tenure or Security of Employment</u> <u>N</u>	<u>Z</u>
<u>9-Months</u>			
Professor	2,857	2,688	94.1
Associate Professor	1,335	1,240	92.9
Assistant Professor	1,421	-	-
Instructor	79	-	-
(All Ranks)	(5,692)	(3,928)	(69.1)
Lecturer	1,154	111	9.6
<u>11-Months</u>			
Professor	540	532	98.5
Associate Professor	125	121	96.8
Assistant Professor	146	-	-
Instructor	-	-	-
(All Ranks)	(711)	(653)	(91.8)
Lecturer	51	5	9.8

<sup>a</sup> Compiled on a headcount basis. These aggregates are, therefore, higher than those in Table B-1, which are computed on an FTE basis.

<sup>b</sup> Includes regular and irregular (Acting, Visiting, In-Residence, Adjunct) rank titles and Lecturers and Senior Lecturers with and without Security of Employment. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Bio-bibliographical Services (Bio-Bib) records on UC faculty

TABLE B-4

TERMINATIONS OF FULL-TIME FACULTY 1977-78<sup>a</sup>

Reason for Termination	Professor		Associate Professor		Assistant Professor		Instructor	
	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.	9 Mos.	11 Mos.
Death & Retirement	70	10	4	-	-	-	-	-
Faculty Position in Another Institution	14	-	6	1	14	2	-	-
Return to Graduate Study	-	-	-	-	1	-	-	-
Change in Status	1	-	3	-	1	-	-	-
Expiration of Appointment	-	-	-	-	21	-	-	-
Other Employment	4	1	4	-	20	2	-	-
Unknown	-	-	1	-	1	-	-	-
TOTAL	89	11	18	1	58	4	-	-

<sup>a</sup>Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more time for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Logs

VP--A&SPR 10/78 bln

TABLE B-5  
ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1978-79

<u>Institution</u>	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
Brown University	1	-	-	-	-	-	-	-
Bucknell University	-	-	-	-	-	1	-	-
CSUC-Pomona	-	-	-	-	1	-	-	-
CSUC-San Francisco	-	-	-	-	1	-	-	-
CSUC-San Jose	-	-	-	-	1	-	-	-
Case Western Reserve U.	-	-	-	-	1	-	-	-
Univ/Chicago	-	-	-	-	2	-	-	-
Colgate University	-	-	-	-	1	-	-	-
Univ/Colorado	-	-	-	-	1	-	-	-
Cornell University	1	-	-	-	-	-	-	-
CUNY	-	-	1	-	-	-	-	-
Univ/Delaware	-	-	1	-	-	-	-	-
Duke University	1	-	-	-	-	-	-	-
Fordham University	-	-	-	-	1	-	-	-
Harvard	1	-	1	-	3	-	-	-
Univ/Illinois	1	-	-	-	1	-	-	-
Indiana University	1	-	1	-	1	-	-	-
Johns Hopkins Univ	-	-	-	-	3	-	-	-
Lewis & Clarke College	-	-	-	-	1	-	-	-
Univ/Maryland	1	-	-	-	-	-	-	-
MIT	2	-	-	-	-	-	-	-
McGill University	-	-	-	1	-	-	-	-
Mercy College	-	-	-	-	1	-	-	-
Miami Univ/Ohio	-	-	1	-	-	-	-	-
Univ/Michigan	-	-	1	-	3	-	-	-
Michigan State Univ	-	-	-	-	-	1	-	-
Univ/Missouri	-	-	-	-	2	1	-	-
NW Missouri State U	-	-	-	-	-	1	-	-
Univ/New Mexico	-	-	-	-	1	-	-	-
N Carolina Sch/Arts	-	-	-	-	1	-	-	-
Northwestern Univ	2	-	-	-	1	-	-	-



ORIGINS OF RECRUITMENT OF TENURED AND NONTENURED PERSONNEL<sup>a</sup>  
1978-79

Institution	Professor		Associate Professor		Assistant Professor		Instructor	
	9 Mos	11 Mos.	9 Mos	11 Mos.	9 Mos.	11 Mos.	9 Mos	11 Mos.
Ohio State Univ	-	-	-	-	1	-	-	-
Univ/Oregon	-	-	-	-	1	-	-	-
Univ/Pennsylvania	-	-	1	-	2	-	-	-
Pennsylvania State U.	-	-	-	-	1	-	-	-
Princeton	-	-	1	-	3	-	-	-
Purdue	-	-	-	-	2	-	-	-
Rockefeller Univ	1	-	-	-	-	-	-	-
Rutgers	-	-	-	-	1	-	-	-
Stanford	-	-	-	-	2	-	-	-
SUNY-Buffalo	2	-	-	-	-	-	-	-
SUNY-Purchase	1	-	-	-	-	-	-	-
SUNY-Stonybrook	1	-	-	-	1	-	-	-
Univ/Texas	-	-	-	-	1	-	-	-
Tufts	-	-	-	-	1	-	-	-
Tyler Sch/Arts	1	-	-	-	-	-	-	-
USC	-	-	-	-	2	-	-	-
Utah State Univ	-	-	-	-	1	-	-	-
Virginia Polytech Inst.-	-	-	-	-	-	1	-	-
Washington State Univ.	-	-	-	-	1	-	-	-
Wesleyan University	1	-	-	-	-	-	-	-
Yale	-	-	2	-	2	-	-	-
<u>Subtotal</u>	<u>18</u>	<u>-</u>	<u>10</u>	<u>1</u>	<u>49</u>	<u>5</u>	<u>-</u>	<u>-</u>
UC	1	2	3	1	28	1	-	-
UC-Regularization	2	-	3	-	9	1	-	-
<u>Other Sources</u>								
Foreign	4	-	-	-	6	1	-	-
Graduate Study	-	-	-	-	15	3	-	-
Other Employment	2	-	1	-	8	2	-	-
Government	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>Subtotal</u>	<u>10</u>	<u>2</u>	<u>7</u>	<u>1</u>	<u>66</u>	<u>9</u>	<u>-</u>	<u>-</u>
<u>TOTAL</u>	<u>28</u>	<u>2</u>	<u>17</u>	<u>2</u>	<u>115</u>	<u>14</u>	<u>-</u>	<u>-</u>

<sup>a</sup>Includes full-time regular rank titles only Gives origins of new faculty shown in Table B-2. Excludes health sciences.

TABLE B-6  
DESTINATION OF FACULTY WHO VOLUNTARILY RESIGN  
1977-78<sup>a</sup>

<u>Institution</u>	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
Boston University	1	-	-	-	-	-	-	-
Calif Inst/Arts	-	-	1	-	-	-	-	-
Cal Tech	-	-	-	-	1	-	-	-
CSUC-Pomona	-	-	-	-	1	-	-	-
CSUC-Stanislaus	-	-	-	-	-	1	-	-
Cornell	1	-	-	-	-	-	-	-
Duke University	1	-	-	-	-	-	-	-
Harvard	1	-	-	-	2	-	-	-
Harvey Mudd College	-	-	1	-	-	-	-	-
Univ/Illinois	1	-	-	-	-	-	-	-
Indiana Univ	1	-	-	-	1	-	-	-
Johns Hopkins	1	-	-	-	-	-	-	-
Univ/Michigan	1	-	-	-	-	-	-	-
Middlebury College	-	-	1	-	-	-	-	-
Ohio State Univ	-	-	-	-	1	-	-	-
Penn State Univ	-	-	-	-	1	-	-	-
Princeton	1	-	-	-	-	-	-	-
Univ/San Francisco	1	-	-	-	-	-	-	-
Stanford	2	-	-	-	1	-	-	-
Univ/Utah	-	-	1	-	-	-	-	-
Univ/Texas	-	-	-	-	2	-	-	-
Texas A & M	-	-	1	-	-	-	-	-
Virginia Poly Inst	1	-	-	-	-	-	-	-
Univ/Washington	-	-	-	-	-	1	-	-
Washington State Univ	-	-	-	-	1	-	-	-
Washington & Lee Univ	1	-	-	-	-	-	-	-
Wesleyan Univ	-	-	1	-	-	-	-	-
Univ/Wisconsin	-	-	-	-	2	-	-	-

[continued on next page]

TABLE B-6 (continued)  
 DESTINATION OF FACULTY WHO VOLUNTARILY RESIGN  
 1977-78<sup>a</sup>

	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		<u>Instructor</u>	
	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>	<u>9 Mos.</u>	<u>11 Mos.</u>
<u>Other</u>								
Foreign Institutions	-	-	-	1	1	-	-	-
Government	-	-	2	-	2	-	-	-
Change in Status	1	-	3	-	1	-	-	-
Personal	1	-	1	-	8	2	-	-
Other Employment	3	1	1	-	10	-	-	-
Graduate Study	-	-	-	-	1	-	-	-
Unknown	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	19	1	14	1	37	4	-	-

<sup>a</sup>includes full-time regular-rank titles only Gives destinations (other than death and retirement and expiration of appointment) of terminating faculty shown in Table B-4. Excludes health sciences.

Source: Academic Personnel Logs

VP--A&SPR: 10/78 bln

TABLE B-VII

FACULTY PROMOTIONAL PATTERNS: 1976-77 and 1977-78<sup>a</sup>

	Promoted from Asst Professor to Assoc Professor			Promoted from Assoc Professor to Professor		
	<u>Total</u>	<u>9-mos</u>	<u>11-mos</u>	<u>Total</u>	<u>9-mos</u>	<u>11-mos</u>
1976-77	169	148	21	158	150	8
1977-78	164	146	18	151	133	18

<sup>a</sup>Includes regular rank titles only. For purposes of this report, full-time is defined as 50% or more for two or more quarters during the fiscal year. Excludes health sciences: Dentistry, Medicine, Nursing, Optometry, Pharmacy, Public Health, and Veterinary Medicine.

Source: Academic Personnel Logs

VP--A&SPR: 10/78 bln

show that either the University or the State University has been scheduled to receive increases higher than it should have received had there been no error in the data at all. Of the seven years surveyed, the increase indicated for the University was less than would have been warranted in four cases (and more in three) in the preliminary report, and less than would have been warranted in five cases in the final report. For the State University, the indicated increases were less than deserved in four of the years in the preliminary report and less than deserved in three cases in the final report.

It can be concluded that the accuracy of the predictive mechanism in the salary reports has been proven over the years. It is also evident that the final spring reports tend to reduce the margin of error reported in the fall. Finally, it appears that the predictions of actual salaries to be paid by the University's comparison group are slightly more accurate in both the preliminary and final reports than those for the State University's comparison group. Both the segments and governmental authorities, however, may be assured that the percentage increases required to attain parity for both University and State University faculty, as reported in this final report, are accurate to within 1 percent or less.

#### PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1979-80 cost of fringe benefits at the University of California and the California State University and Colleges are shown in Table 10.

Fringe benefits for faculty consist of retirement, social security, unemployment insurance, workman's compensation, health insurance, life insurance, and disability insurance. The largest cost component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 10, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

There are, of course, many different kinds of retirement programs in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution (e.g., the University of California Retirement System--UCRS). In other cases, the program includes public agencies outside of postsecondary education (e.g., the Public

Employees Retirement System--PERS) which includes State University faculty and nonacademic employees along with most other State employees).

TABLE 10

ALL-RANKS AVERAGE COST OF FRINGE BENEFITS AT THE  
UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA  
STATE UNIVERSITY AND COLLEGES, REQUIRED  
TO EQUAL THE COMPARISON INSTITUTION  
PROJECTIONS FOR 1979-80

<u>Institution</u>	Cost of Fringe Benefits in 1978-79	Comparison Institution Projected Cost of Fringe Benefits in 1979-80	Projected Percentage Increase Required: 1979-80
University of California	\$5,948	\$4,817	-19.02% <sup>1</sup>
California State University and Colleges	\$5,543	\$4,065	-26.67% <sup>2</sup>

1. Adjusted for the effect of a 12.64% range adjustment.
2. Adjusted for the effect of a 10.10% range adjustment.

Because the payments to and the benefits from these fringe-benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he leaves for another employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

*These factors tend to limit the usefulness of the fringe benefit figures shown; for this reason, the Commission urges that these data be used with the utmost caution. This is especially true of the data for State University faculty, since they are members of PERS and must share both payments and benefits with thousands of other State employees.*

Such is the nature of cost comparisons for fringe benefits. At best, they are only very rough indicators of benefit levels; at worst, they are extremely misleading. Both the University and the State University have indicated this year that, regardless of the results of the comparison of their benefit packages to those of their comparison institutions, fringe benefits should correspond to those received by all other State employees. Given the inadequacies of the data in this area, this approach is probably the most equitable for both segments.

## CHAPTER II

### CALIFORNIA COMMUNITY COLLEGES

The passage of Proposition 13 has so drastically changed the basic structure of Community College finance that a discussion of the subject of Community College faculty salaries now is imperative. With the State currently providing between 70 and 75 percent of the total State/local support for the Community Colleges, it appears appropriate to include Community College salaries in the annual reports on faculty salaries generally. This fact was recognized by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80, in which he recommended ". . . that the California Postsecondary Education Commission (CPEC) be directed to include community college salaries and benefits in its annual report on faculty salaries."

Although the Analyst's recommendation was not directed to the 1979-80 budget cycle, Commission staff felt that the legislative fiscal committees would be assisted by a preliminary analysis of the subject during the current budget hearings. Such an analysis will have the advantages of providing data immediately and indicating the type of data that will be needed for a more complete analysis. Accordingly, the following sections address themselves to a comparison between each of the three segments, a comparison between the California Community Colleges and community colleges nationally, and a discussion of the deficiencies in the existing data. All of the data are for the 1977-78 year, the most recent year for which data are available.

It should be noted that the report applies only to full-time faculty in the California Community Colleges. This fact has been noted with some concern by several Community College representatives who have offered the view that the absence of data on part-time faculty gives the impression that average Community College faculty salaries are somewhat higher than the amount that would have been shown if part-time faculty were included.

By way of explanation, it is helpful to remember that only full-time faculty have been surveyed for the University and the State University as well since the intent has been to measure compensation levels only for these individuals pursuing teaching careers. It is also true that salary surveys conducted for other professional groups from clerical employees to analysts to attorneys include only those working full time. Occasional or temporary employees are not included in these surveys since their inclusion would tend to bias the survey results and render difficult or impossible the securing of an accurate picture of the compensation received by various occupational classes.

Another primary reason for the exclusion of part-time Community College faculty is the fact that data for these employees are unavailable.



In the future, if such data are developed, they will be included in the report, hopefully for all three segments of postsecondary education.

#### ORGANIZATION AND DESCRIPTION OF COMMUNITY COLLEGE SALARY STRUCTURES

Both the University and the State University have long maintained statewide salary schedules; the Community Colleges have not. Obviously, this is due to the fact that the four-year segments have central governing boards while the Community Colleges are governed by local district boards. This fact of independent governance for the two-year segment has produced salary schedules which are extraordinarily complex and almost totally unlike those in use for the other public segments.

The University and the State University use a class and rank structure that is common throughout postsecondary education (Professor, Associate Professor, Assistant Professor, and Instructor); the Community Colleges use structures that trace their antecedents to the elementary and secondary schools. As a result, Community College salaries are based first on the number of units completed or on the level of degree achieved (bachelor's, master's, or doctorate), and secondly on years of experience. To illustrate the differences, the 1977-78 salary structures for each of the four-year segments are shown in Table 1 (page 26), together with the salary structure for a representative Community College district for the same year.

TABLE 1

FACULTY SALARY SCHEDULES FOR THE UNIVERSITY OF CALIFORNIA,  
THE CALIFORNIA STATE UNIVERSITY AND COLLEGES, AND  
THE GLENDALE COMMUNITY COLLEGE DISTRICT<sup>1</sup>  
1977 - 1978

University of California		California State University and Colleges		California Community Colleges (Glendale Community College District)					
Instructor		Instructor		Step	BA I	BA+42 or MA II	BA+56+MA III	BA+70+MA IV	BA+84+MA or PhD V
	\$12,800		\$13,008	1	\$13,130	\$13,750	\$14,430	\$15,130	\$15,860
Assistant Professor		Step 1	13,608	2	13,650	14,270	15,000	15,720	16,490
Step 1	\$15,100	Step 2	14,256	3	14,200	14,880	15,610	16,350	17,150
Step 2	15,700	Step 3	14,916	4	14,780	15,470	16,240	17,010	17,840
Step 3	16,600	Step 4	15,624	5	15,340	16,090	16,870	17,680	18,550
Step 4	17,700	Step 5		6	15,960	16,730	17,540	18,390	19,280
Step 5	18,700	Assistant Professor		7	16,630	17,410	18,240	19,130	20,060
Step 6	19,700	Step 1	\$14,256	8	17,270	18,090	18,990	19,890	20,860
		Step 2	14,916	9	17,960	18,820	19,740	20,690	21,700
Associate Professor		Step 3	15,624	10	18,670	19,580	20,530	21,510	22,560
Step 1	\$18,800	Step 4	16,356	11	19,430	20,370	21,370	22,390	23,460
Step 2	19,800	Step 5	17,136	12	--	21,170	22,200	23,270	24,390
Step 3	21,000	Associate Professor		13	--	--	23,090	24,220	25,390
Step 4	22,500	Step 1	\$17,940	20	--	--	--	--	26,040
Step 5	24,900	Step 2	18,792	27	--	--	--	--	26,690
		Step 3	19,692						
Professor		Step 4	20,628						
Step 1	\$22,600	Step 5	21,624						
Step 2	25,000	Professor							
Step 3	27,400	Step 1	\$22,656						
Step 4	29,900	Step 2	23,748						
Step 5	32,400	Step 3	24,888						
Step 6	35,200	Step 4	26,088						
		Step 5	27,348						

1. The Glendale Community College District was chosen since its mean salary was closest to the statewide Community College mean in 1977-78.

Not only are the Community College schedules markedly different in type from those employed by the other segments, they are also quite different among themselves. Whereas the University and the State University use only four salary classifications (Professor, Associate Professor, Assistant Professor, and Instructor), the 70 Community College districts classify salary ranges in 119 different ways, the most common of which are shown below in Table 2.

TABLE 2

THE THIRTY MOST COMMON SALARY CLASSIFICATIONS  
EMPLOYED BY THE CALIFORNIA COMMUNITY COLLEGES,  
AND THE NUMBER OF DISTRICTS USING EACH

Classification	Number of Districts Using Classification
Appropriate Credential	9
BA	41
BA+15	6
BA+24	3
BA+28	3
BA+30	12
Less than MA	3
BA+30 or MA	9
BA+45 or MA	6
BA+45 or MA+15	5
BA+45	5
MA	34
BA+45+MA	6
MA+15	7
MA+60+MA or MA+30	4
BA+60+MA	14
BA+70+MA	3
BA+72+MA	4
MA+75 or MA+45	4
MA+30	7
MA+75+MA or MA+45	4
MA+45	8
MA+75+MA	5
MA+48	3
BA+80+MA	3
BA+90 or MA+60	6
BA+90+MA or MA+60	3
BA+90+MA	4
MA+60	5
PhD	24

The tremendous diversity in salary structures is not limited to the classifications alone but is also apparent within individual classifications. As an example, Table 3 shows the salary steps for the seven districts that employ the MA+30 classification.

TABLE 3  
SALARY RANGES FOR THE SEVEN COMMUNITY COLLEGE DISTRICTS  
USING THE MA+30 SALARY CLASSIFICATION

<u>Step</u>	District						
	1	2	3	4	5	6	7
1	\$15,963	\$14,915	\$15,880	\$15,500	\$16,674	\$16,106	\$14,527
2	16,642	15,585	16,515	16,250	17,406	16,795	15,155
3	17,349	16,256	17,150	17,000	18,138	17,478	15,762
4	18,086	16,925	17,785	17,750	18,870	18,166	16,410
5	18,855	17,596	18,420	18,500	19,602	18,852	17,088
6	19,656	18,266	19,055	19,250	20,334	19,538	17,667
7	20,492	18,936	19,690	20,000	21,066	20,225	18,295
8	21,363	19,607	20,325	20,750	21,798	20,912	18,923
9	22,270	20,276	20,960	21,500	22,530	21,596	19,552
10	23,217	20,946	21,595	22,250	23,262	22,284	20,180
11	24,204	21,617	22,230	23,000	23,994	22,970	20,850
12	25,232	22,287	22,865	23,750	24,726	23,657	21,437
13	--	22,957	23,500	--	25,458	--	22,064
14	--	23,627	23,500	--	--	--	--
15	--	24,297	23,500	--	--	--	--
16	--	24,967	23,810	--	--	--	--
17	--	25,638	23,810	--	--	--	--
18	--	--	23,810	--	--	--	--
19	--	--	24,120	--	--	--	--
20	--	--	24,120	--	--	--	--
21	--	--	24,120	--	--	--	--
22	--	--	24,430	--	--	--	--

The difference between the lowest and highest first steps of these ranges is 14.8 percent, in spite of the fact that the qualifications for them are the same. Using the same two districts (Columns 2 and 5 in Table 3), that difference grows to 15.3 percent after ten years of service. Also, faculty in the higher paying district received an 8.0 percent salary increase for the 1977-78 academic year while those in the lower paying district received a 6.4 percent increase, thus widening the gap between them.

According to the Chancellor's Office of the California Community Colleges, the mean salary paid to Community College faculty members in 1977-78 was \$22,413.<sup>1</sup> This overall average, however, encompassed a wide range of differences among the various districts. Table 4 shows the mean salaries received by faculty members in the five highest- and five lowest-paying districts. All figures are weighted by the number of faculty receiving each salary.

TABLE 4  
HIGHEST AND LOWEST SALARIES PAID BY  
CALIFORNIA COMMUNITY COLLEGE DISTRICTS  
1977 - 1978

<u>District</u>	<u>Mean Salary</u>	<u>Number of Faculty in District</u>
<u>Highest</u>		
San Joaquin Delta CCD	\$24,657	193
San Mateo CCD	24,420	574
Contra Costa CCD	24,178	511
North Orange CCD	23,763	500
Saddleback CCD	23,748	143
<u>Lowest</u>		
Antelope Valley CCD	19,905	84
Fremont-Newark CCD	19,812	109
Cabrillo CCD	19,470	190
Lake Tahoe CCD	19,047	20
Palo Verde CCD	15,528	20

1. Faculty Salaries Paid, 1977-78, Chancellor's Office, California Community Colleges, Report No. 3, February 1978.

The average number of faculty in the five highest-paying districts is 384.2. The average number of faculty in the five lowest-paying districts is 84.6. From this, it appears that district size may be a factor in salary structures.

Table 5 (page 31) shows a distribution of all mean salaries paid for the sixty-eight reporting districts and compares them with the all-ranks averages<sup>2</sup> for the University of California and the California State University and Colleges, all for the 1977-78 academic year.

The number of Community College faculty members within various salary ranges is indicated in Table 6 (page 32). The table shows, for example, that 20 percent of all faculty received salaries between \$25,001 and \$26,000 in 1977-78.

2. "Mean Salaries" and "All Ranks Averages" are used interchangeably in this report. The difference in terminology is due to differences in segmental salary classifications.

TABLE 5  
 Distribution of Mean Salaries  
 for Faculty in the  
 California Community Colleges  
 1977-78

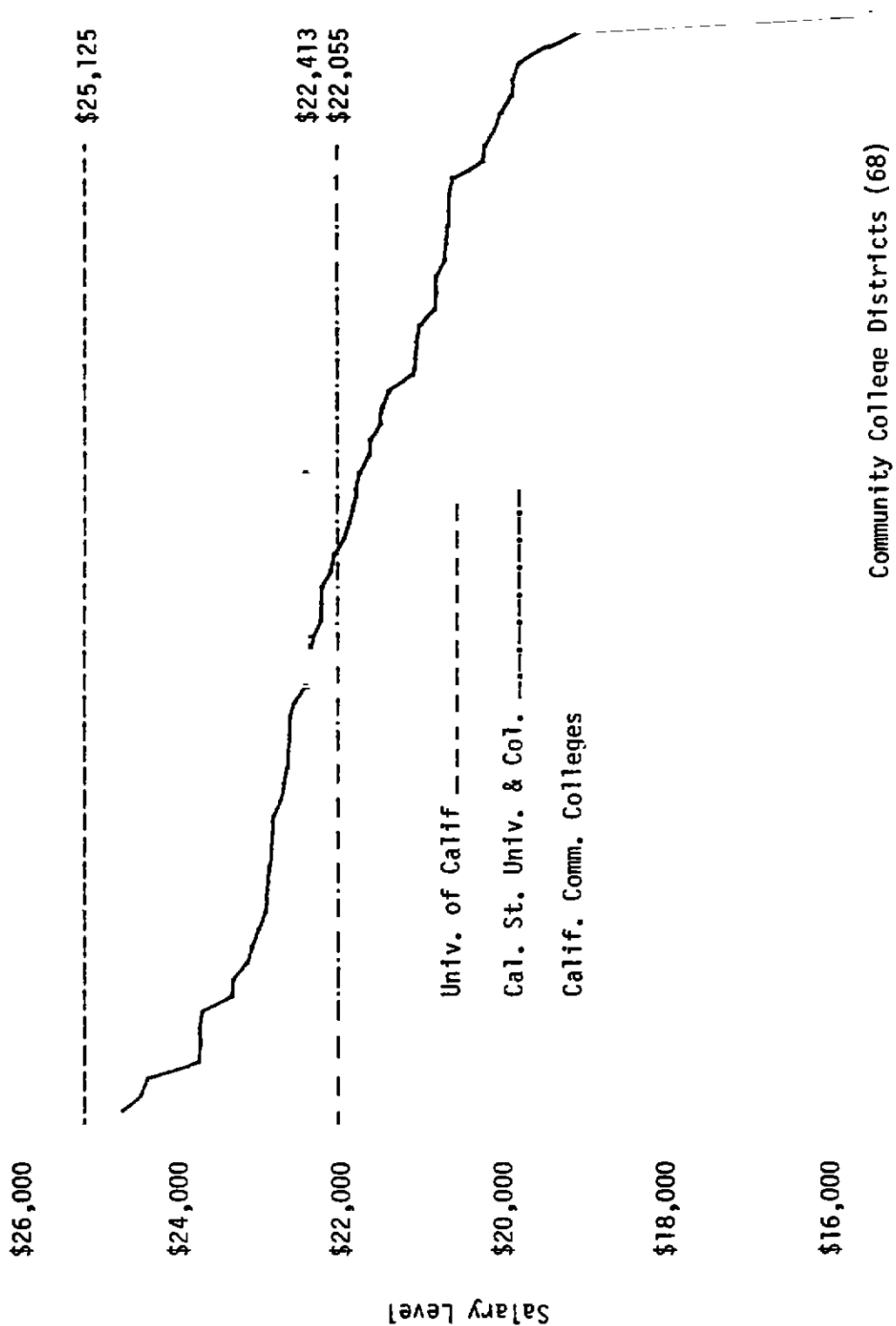
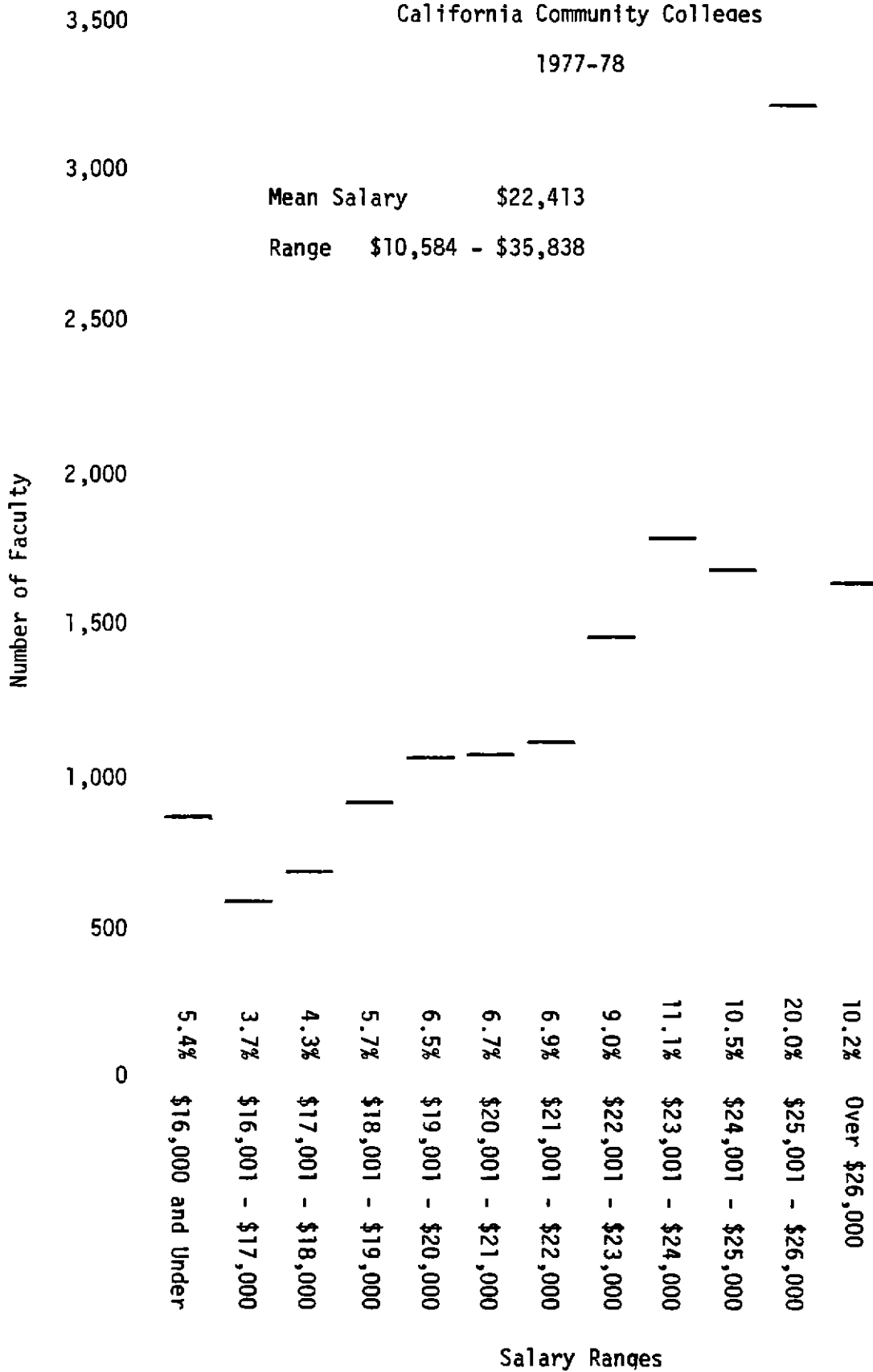


TABLE 6  
Frequency Distribution for  
Faculty Salaries in the  
California Community Colleges  
1977-78





## COMPARISONS WITH THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

For many years, at least since the passage of SCR 51, the Legislature has been interested in deriving a single average figure for salaries paid to faculty at the University and the State University. This desire led to the computation of "all ranks averages" for both segments, a computational device that is produced by multiplying the number of faculty receiving certain salaries by those salaries and then dividing by the number of faculty. In the Community Colleges Chancellor's Office report<sup>3</sup>, the identical technique is used, thus permitting comparisons. For that year (1977-78) the respective mean salaries are as follows.

TABLE 7

### ALL-RANKS AVERAGES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND MEAN SALARY IN THE CALIFORNIA COMMUNITY COLLEGES 1977 - 1978

University of California	\$25,125
California State University and Colleges	\$22,055
California Community Colleges	\$22,413

What this table clearly shows is that the Community Colleges have now moved into second place in faculty salaries behind the University, and that the State University has fallen to third. In 1977-78, the University's average salary was 12.1 percent higher than the Community Colleges average and 13.9 percent higher than the State University average. The Community Colleges were 1.6 percent higher than the State University. Additionally, and though further research will be required to confirm this, it is probable that the Community Colleges are gaining relative to both of the other public segments. The average salary increase for the Community Colleges statewide in 1977-78 was 6.1 percent, while that for the two four-year segments was 5.0 percent. Further, the four-year segments received no salary increases for the current year (1978-79), while a recent decision of the California Supreme Court (Sonoma County Organization v. County of Sonoma) declared that the Legislature could not prohibit the granting of salary increases by local districts, including the Community Colleges. Given this, and assuming the Legislature does not grant retroactive salary increases to faculty in the four-year segments, it appears virtually certain that the relative standing of the Community Colleges will be improved further.

3. Faculty Salaries Paid, 1977-78.

## COMPARISONS BETWEEN THE CALIFORNIA COMMUNITY COLLEGES AND COMMUNITY COLLEGES IN OTHER STATES

Additional perspectives may be gained by comparing California's Community Colleges with those in other states, a technique that has heretofore formed the primary basis for salary setting in California's four-year public segments.

According to the Legislative Analyst, " . . . a recent study by the American Association of University Professors [AAUP] indicates that salaries in the California Community Colleges are 27 percent above the average for two-year public institutions in the United States."<sup>4</sup> The AAUP report categorizes institutions in five different ways, depending on the type of institution involved. For example, Category III is for two-year institutions which use academic ranks, while Category IV is for two-year institutions which do not. Using the average salary paid by the California Community Colleges (\$22,413) compared to the national average for public community colleges in Category IV (\$17,630), the California Community Colleges are ahead by 27.1 percent, as indicated by the Analyst's report.

Unfortunately, this statistic is somewhat misleading since the California Community Colleges are part of the national average noted above (\$17,630). If their salaries were removed, the national average would be considerably lower, with the result that the difference between the two would be greater than the 27.1 percent figure indicated.

One way to confirm this is to use the AAUP's rating system for compensation levels (including fringe benefits in this case) for Category IV institutions. This system specifies five categories: the first represents those institutions falling in the top 5 percent in the nation; the second, those in the top 20 percent; the third, in the top 40 percent; the fourth, in the top 60 percent; and the fifth, all but the lowest 20 percent. Nationally, forty Category IV institutions are listed in the top 5 percent in the nation; thirty-nine of those are California Community Colleges. The only exception is the Merrill-Palmer Institute in Detroit, Michigan, which is not a community college but a two-year graduate institute for doctoral candidates. (Its placement in Category IV is the result of its having a two-year program rather than a traditional curriculum.)

Even this, however, does not present the complete picture, since a great many community colleges across the country are placed in Category III. While it would be helpful to include them with the Category IV institutions, this is impossible since the AAUP does not list compensation ratings for institutions in this category.

4. AAUP Bulletin, "Report on the Annual Survey of Faculty Compensation, 1977-78," September 1978.

In an attempt to provide further clarity, it was decided to compare California with the next five most populous states in the nation, using both Category III and IV community colleges for comparison purposes and eliminating all other two-year institutions such as bible colleges, technical institutes, and graduate facilities. The results of this analysis are shown in Table 8 (page 36).

It might have been preferable to use mean salaries paid rather than the median indicated in Table 8, but such data were not reported by the AAUP. The fact that the salary for the California Community Colleges was shown as \$22,413 in Tables 5, 6, and 7, rather than the \$23,463 figure used in Table 8, is due to: (1) the difference between the median and the mean; and (2) the fact that the mean salary data were derived from the averages for the sixty-eight California districts rather than the averages for the ninety-five individual institutions nationally, as reported by the AAUP. In considering these four tables, the important thing is that the data be internally consistent between the California Community Colleges and the institutions with which they are compared. This consistency has been maintained in both Table 8 and those preceding it.

TABLE 8  
COMPARISON OF MEDIAN SALARIES PAID IN THE  
CALIFORNIA COMMUNITY COLLEGES AND IN  
THE NEXT FIVE MOST POPULOUS STATES  
1977 - 1978

<u>State</u>	<u>Median Salary</u>	<u>Percentage Lead by California</u>	<u>Number of Institutions</u>	<u>Number of Faculty</u>
California	\$23,463	--	95	14,374
New York <sup>1</sup>	18,530	26.6%	41	4,830
Illinois	18,222	28.8	55	5,191
Ohio	17,177	36.6	23	1,211
Pennsylvania	16,581	41.5	21	1,767
Texas	14,929	57.2	37	5,543

Source: AAUP Bulletin, Vol. 64, No.3, September 1978.

1. The AAUP did not report data from the City University of New York's (CUNY) eight community colleges which have traditionally paid higher salaries than the national average. However, for the 1976-77 year, salaries were reported and averaged \$21,300 for eight colleges. The mean salary for the California Community Colleges in 1976-77 was \$20,838. Thus, it is certain that California's lead over New York was somewhat less than the 26.6 percent noted in the table.

The final table in this section shows the forty-two highest paying community colleges in the nation, the median salaries paid to faculty, and the number of faculty at each institution, for the 1977-78 fiscal year.

TABLE 9

COMMUNITY COLLEGES IN THE UNITED STATES  
PAYING THE HIGHEST FACULTY SALARIES<sup>1</sup>  
1977 - 1978

	<u>Institution</u>	<u>State</u>	<u>Median Salary</u>	<u>Faculty Size</u>
1.	Fullerton College	California	\$26,500	255
2.	Diablo Valley College	"	26,400	247
3.	Contra Costa College	"	26,200	135
4.	Los Angeles Harbor College	"	25,800	175
5.	Los Angeles Pierce College	"	25,700	302
6.	San Joaquin Delta College	"	25,700	203
7.	San Mateo, College of	"	25,500	229
8.	Cerritos College	"	25,400	268
9.	Los Angeles Valley College	"	25,400	272
10.	Canāda College	"	25,300	90
11.	East Los Angeles College	"	25,300	201
12.	Los Angeles Trade Technical	"	25,300	258
13.	Los Angeles City College	"	25,100	300
14.	Citrus College	"	24,700	117
15.	Cypress College	"	24,700	195
16.	Orange Coast College	"	24,700	326
17.	Saddleback Community College	"	24,600	143
18.	Monterey Peninsula College	"	24,400	107
19.	Pasadena City College	"	24,400	343
20.	Chabot College	"	24,200	250
21.	El Camino College	"	24,100	363
22.	Long Beach City College	"	24,000	275
23.	West Valley College	"	24,000	260
24.	Nassau Community College	New York	23,900	435
25.	Westchester Community College	"	23,900	181
26.	Evergreen Valley College	California	23,800	86
27.	Shasta College	"	23,800	134
28.	Bakersfield College	"	23,800	250
29.	Henry Ford Community College	Michigan	23,700	208
30.	Washtenaw Community College	"	23,700	119
31.	Merritt College	California	23,700	151
32.	Taft College	"	23,700	23
33.	City College of San Francisco	"	23,600	450
34.	College of the Siskiyous	"	23,600	46
35.	Foothill College	"	23,600	185
36.	Santa Barbara City College	"	23,600	154
37.	Santa Rosa Junior College	"	23,500	182
38.	Santa Monica College	"	23,500	194
39.	Chaffey College	"	23,500	199
40.	Golden West College	"	23,400	245
41.	College of the Desert	"	23,400	106
42.	Montgomery College	Maryland	23,400	73

Source AAUP Bulletin, Vol 63, No. 1, August 1977

1. As with Table 8, figures for the eight community colleges of the City University of New York were not reported for 1977-78. However, in 1976-77, 38 California Community Colleges had higher mean salaries than the CUNY system as a whole. Taken individually the three highest ranking community colleges in the CUNY system would have ranked 17th, 24th, and 32nd

Of the forty-two institutions listed, thirty-seven are in California, including the top twenty-three.

## DEFICIENCIES IN THE DATA

The Commission wishes to stress that this report on Community College faculty salaries is only preliminary, and that major refinements will have to be introduced before the data can be considered as precise as that used for the four-year segments. There are several reasons for this caution.

The data published by the AAUP are not formulated in a way that permits direct dollar-for-dollar comparisons with the data published by the Community Colleges Chancellor's Office. While the Chancellor's Office uses weighted means for each of the districts, in much the same way that all-ranks averages are computed for the University and the State University, the AAUP lists only median salaries for individual institutions (in both Categories III and IV), with little explanation as to the exact procedures by which those medians were derived. Accordingly, it will be necessary to obtain information directly from a number of community colleges in other states before precise comparisons, in which it is possible to have any real confidence, can be derived. This will involve a process similar to the data collection efforts currently employed for California's four-year public segments.

In addition to these difficulties, the published report from the Chancellor's Office, although it has been extremely helpful in developing this report, could also be improved. While systemwide figures are published, two districts reported neither the number of faculty employed nor mean salaries. In addition, many districts listed salary bonuses for faculty with Master's and Doctorate degrees while others listed complete ranges for holders of these degrees. In some cases, it was difficult to determine if the bonuses were included in the salaries listed or should have been added, since no clarifying explanations were included. Further, although some districts listed a number of different salary classifications, all faculty were lumped into a single classification for reporting purposes. This made any determination of ranges impossible. Finally, several districts listed the ranges in a manner similar to that shown in Table 2, but failed to specify what educational qualifications were necessary for each range.

In spite of these deficiencies, the salary comparisons made are still useful in describing the general position of the Community Colleges relative to the University and the State University and to the two-year institutions in other states. The problem is one of establishing precision at a level comparable to that achieved for the four-year public segments in relation to their groups of comparison institutions.

## FINDINGS

In this preliminary review of faculty salaries in the California Community Colleges, several facts have been revealed:

1. For the 1977-78 fiscal year, the mean salary paid to faculty in the California Community Colleges exceeded the mean salary paid to faculty in the California State University and Colleges by \$358, or 1.6 percent.
2. For the 1977-78 fiscal year, the mean salary paid to faculty in the University of California exceeded the mean salary paid to faculty in the California Community Colleges by \$2,712, or 12.1 percent.
3. Given the absence of a salary-range adjustment for the University of California and the California State University and Colleges in the 1978-79 fiscal year, and the recent California Supreme Court decision permitting salary increases by local entities, including Community College districts, the gap between the Community Colleges and the State University has probably widened, while that with the University has probably narrowed.
4. Faculties in the California Community Colleges have a considerable salary advantage over other community colleges nationwide. According to the Bulletin of the American Association of University Professors, the twenty-three highest-paying community colleges in the nation are all in California.
5. In comparing the average salaries paid to California Community College faculty with community college faculty in other states, California (in 1977-78) led New York by 26.6 percent, Illinois by 28.8 percent, Ohio by 36.6 percent, Pennsylvania by 41.5 percent, and Texas by 57.2 percent. However, since the AAUP data did not include the City University of New York, which has eight community colleges and relatively high salary levels, it is probable that California's lead over New York is somewhat less than the 26.6 percent reported.
6. Within the California Community College system, there are considerable differences between districts in the average faculty salaries paid. The difference between the five highest paying districts and the five lowest paying districts is 24.3 percent.

## ADDENDUM

Two other items are new to the final report on faculty salaries for 1979-80. They are: (1) a report by the University of California on medical faculty salaries, and (2) a discussion of the Legislative Analyst's comments on faculty salaries in his Analysis of the Budget Bill, 1979-80.

Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill directed that:

The University of California shall report to the California Postsecondary Education Commission annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution, and (2) the number of compensation plan exceptions in effect at each UC school.

This report is included as Appendix G.

Appendix H contains Commission staff's analysis of the Legislative Analyst's comments on faculty salaries. Although the Analyst's discussion is extremely important to the subject of faculty salaries, both it and the staff response are of such a technical nature that it was decided to append it rather than extend an already lengthy text.



Not only are the Community College schedules markedly different in type from those employed by the other segments, they are also quite different among themselves. Whereas the University and the State University use only four salary classifications (Professor, Associate Professor, Assistant Professor, and Instructor), the 70 Community College districts classify salary ranges in 119 different ways, the most common of which are shown below in Table 2.

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EMPLOYED BY THE CALIFORNIA COMMUNITY COLLEGES,  
AND THE NUMBER OF DISTRICTS USING EACH

Classification	Number of Districts Using Classification
Appropriate Credential	9
BA	41
BA+15	6
BA+24	3
BA+28	3
BA+30	12
Less than MA	3
BA+30 or MA	9
BA+45 or MA	6
BA+45 or MA+15	5
BA+45	5
MA	34
BA+45+MA	6
MA+15	7
MA+60+MA or MA+30	4
BA+60+MA	14
BA+70+MA	3
BA+72+MA	4
MA+75 or MA+45	4
MA+30	7
MA+75+MA or MA+45	4
MA+45	8
MA+75+MA	5
MA+48	3
BA+80+MA	3
BA+90 or MA+60	6
BA+90+MA or MA+60	3
BA+90+MA	4
MA+60	5
PhD	24

The difference between the lowest and highest first steps of these ranges is 14.8 percent, in spite of the fact that the qualifications for them are the same. Using the same two districts (Columns 2 and 5 in Table 3), that difference grows to 15.3 percent after ten years of service. Also, faculty in the higher paying district received an 8.0 percent salary increase for the 1977-78 academic year while those in the lower paying district received a 6.4 percent increase, thus widening the gap between them.

According to the Chancellor's Office of the California Community Colleges, the mean salary paid to Community College faculty members in 1977-78 was \$22,413.<sup>1</sup> This overall average, however, encompassed a wide range of differences among the various districts. Table 4 shows the mean salaries received by faculty members in the five highest- and five lowest-paying districts. All figures are weighted by the number of faculty receiving each salary.

TABLE 4  
HIGHEST AND LOWEST SALARIES PAID BY  
CALIFORNIA COMMUNITY COLLEGE DISTRICTS  
1977 - 1978

<u>District</u>	<u>Mean Salary</u>	<u>Number of Faculty in District</u>
<u>Highest</u>		
San Joaquin Delta CCD	\$24,657	193
San Mateo CCD	24,420	574
Contra Costa CCD	24,178	511
North Orange CCD	23,763	500
Saddleback CCD	23,748	143
<u>Lowest</u>		
Antelope Valley CCD	19,905	84
Fremont-Newark CCD	19,812	109
Cabrillo CCD	19,470	190
Lake Tahoe CCD	19,047	20
Palo Verde CCD	15,528	20

1. Faculty Salaries Paid, 1977-78, Chancellor's Office, California Community Colleges, Report No. 3, February 1978.

The average number of faculty in the five highest-paying districts is 384.2. The average number of faculty in the five lowest-paying districts is 84.6. From this, it appears that district size may be a factor in salary structures.

Table 5 (page 31) shows a distribution of all mean salaries paid for the sixty-eight reporting districts and compares them with the all-ranks averages<sup>2</sup> for the University of California and the California State University and Colleges, all for the 1977-78 academic year.

The number of Community College faculty members within various salary ranges is indicated in Table 6 (page 32). The table shows, for example, that 20 percent of all faculty received salaries between \$25,001 and \$26,000 in 1977-78.

- 
2. "Mean Salaries" and "All Ranks Averages" are used interchangeably in this report. The difference in terminology is due to differences in segmental salary classifications.

COMPARISONS WITH THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA  
STATE UNIVERSITY AND COLLEGES

For many years, at least since the passage of SCR 51, the Legislature has been interested in deriving a single average figure for salaries paid to faculty at the University and the State University. This desire led to the computation of "all ranks averages" for both segments, a computational device that is produced by multiplying the number of faculty receiving certain salaries by those salaries and then dividing by the number of faculty. In the Community Colleges Chancellor's Office report<sup>3</sup>, the identical technique is used, thus permitting comparisons. For that year (1977-78) the respective mean salaries are as follows.

TABLE 7

ALL-RANKS AVERAGES AT THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
AND MEAN SALARY IN THE CALIFORNIA COMMUNITY COLLEGES  
1977 - 1978

University of California	\$25,125
California State University and Colleges	\$22,055
California Community Colleges	\$22,413

What this table clearly shows is that the Community Colleges have now moved into second place in faculty salaries behind the University, and that the State University has fallen to third. In 1977-78, the University's average salary was 12.1 percent higher than the Community Colleges average and 13.9 percent higher than the State University average. The Community Colleges were 1.6 percent higher than the State University. Additionally, and though further research will be required to confirm this, it is probable that the Community Colleges are gaining relative to both of the other public segments. The average salary increase for the Community Colleges statewide in 1977-78 was 6.1 percent, while that for the two four-year segments was 5.0 percent. Further, the four-year segments received no salary increases for the current year (1978-79), while a recent decision of the California Supreme Court (*Sonoma County Organization v. County of Sonoma*) declared that the Legislature could not prohibit the granting of salary increases by local districts, including the Community Colleges. Given this, and assuming the Legislature does not grant retroactive salary increases to faculty in the four-year segments, it appears virtually certain that the relative standing of the Community Colleges will be improved further.

3. Faculty Salaries Paid, 1977-78.

## COMPARISONS BETWEEN THE CALIFORNIA COMMUNITY COLLEGES AND COMMUNITY COLLEGES IN OTHER STATES

Additional perspectives may be gained by comparing California's Community Colleges with those in other states, a technique that has heretofore formed the primary basis for salary setting in California's four-year public segments.

According to the Legislative Analyst, " . . . a recent study by the American Association of University Professors [AAUP] indicates that salaries in the California Community Colleges are 27 percent above the average for two-year public institutions in the United States."<sup>4</sup> The AAUP report categorizes institutions in five different ways, depending on the type of institution involved. For example, Category III is for two-year institutions which use academic ranks, while Category IV is for two-year institutions which do not. Using the average salary paid by the California Community Colleges (\$22,413) compared to the national average for public community colleges in Category IV (\$17,630), the California Community Colleges are ahead by 27.1 percent, as indicated by the Analyst's report.

Unfortunately, this statistic is somewhat misleading since the California Community Colleges are part of the national average noted above (\$17,630). If their salaries were removed, the national average would be considerably lower, with the result that the difference between the two would be greater than the 27.1 percent figure indicated.

One way to confirm this is to use the AAUP's rating system for compensation levels (including fringe benefits in this case) for Category IV institutions. This system specifies five categories: the first represents those institutions falling in the top 5 percent in the nation; the second, those in the top 20 percent; the third, in the top 40 percent; the fourth, in the top 60 percent; and the fifth, all but the lowest 20 percent. Nationally, forty Category IV institutions are listed in the top 5 percent in the nation; thirty-nine of those are California Community Colleges. The only exception is the Merrill-Palmer Institute in Detroit, Michigan, which is not a community college but a two-year graduate institute for doctoral candidates. (Its placement in Category IV is the result of its having a two-year program rather than a traditional curriculum.)

Even this, however, does not present the complete picture, since a great many community colleges across the country are placed in Category III. While it would be helpful to include them with the Category IV institutions, this is impossible since the AAUP does not list compensation ratings for institutions in this category.

4. AAUP Bulletin, "Report on the Annual Survey of Faculty Compensation, 1977-78," September 1978.

TABLE 8  
COMPARISON OF MEDIAN SALARIES PAID IN THE  
CALIFORNIA COMMUNITY COLLEGES AND IN  
THE NEXT FIVE MOST POPULOUS STATES  
1977 - 1978

<u>State</u>	<u>Median Salary</u>	<u>Percentage Lead by California</u>	<u>Number of Institutions</u>	<u>Number of Faculty</u>
California	\$23,463	--	95	14,374
New York <sup>1</sup>	18,530	26.6%	41	4,830
Illinois	18,222	28.8	55	5,191
Ohio	17,177	36.6	23	1,211
Pennsylvania	16,581	41.5	21	1,767
Texas	14,929	57.2	37	5,543

Source: AAUP Bulletin, Vol. 64, No.3, September 1978.

1. The AAUP did not report data from the City University of New York's (CUNY) eight community colleges which have traditionally paid higher salaries than the national average. However, for the 1976-77 year, salaries were reported and averaged \$21,300 for eight colleges. The mean salary for the California Community Colleges in 1976-77 was \$20,838. Thus, it is certain that California's lead over New York was somewhat less than the 26.6 percent noted in the table.

The final table in this section shows the forty-two highest paying community colleges in the nation, the median salaries paid to faculty, and the number of faculty at each institution, for the 1977-78 fiscal year.

The tremendous diversity in salary structures is not limited to the classifications alone but is also apparent within individual classifications. As an example, Table 3 shows the salary steps for the seven districts that employ the MA+30 classification.

TABLE 3  
SALARY RANGES FOR THE SEVEN COMMUNITY COLLEGE DISTRICTS  
USING THE MA+30 SALARY CLASSIFICATION

Step	District						
	1	2	3	4	5	6	7
1	\$15,963	\$14,915	\$15,880	\$15,500	\$16,674	\$16,106	\$14,527
2	16,642	15,585	16,515	16,250	17,406	16,795	15,155
3	17,349	16,256	17,150	17,000	18,138	17,478	15,762
4	18,086	16,925	17,785	17,750	18,870	18,166	16,410
5	18,855	17,596	18,420	18,500	19,602	18,852	17,088
6	19,656	18,266	19,055	19,250	20,334	19,538	17,667
7	20,492	18,936	19,690	20,000	21,066	20,225	18,295
8	21,363	19,607	20,325	20,750	21,798	20,912	18,923
9	22,270	20,276	20,960	21,500	22,530	21,596	19,552
10	23,217	20,946	21,595	22,250	23,262	22,284	20,180
11	24,204	21,617	22,230	23,000	23,994	22,970	20,850
12	25,232	22,287	22,865	23,750	24,726	23,657	21,437
13	--	22,957	23,500	--	25,458	--	22,064
14	--	23,627	23,500	--	--	--	--
15	--	24,297	23,500	--	--	--	--
16	--	24,967	23,810	--	--	--	--
17	--	25,638	23,810	--	--	--	--
18	--	--	23,810	--	--	--	--
19	--	--	24,120	--	--	--	--
20	--	--	24,120	--	--	--	--
21	--	--	24,120	--	--	--	--
22	--	--	24,430	--	--	--	--

Several comments need to be made relative to the figures in this table. First, totals for "Segmental Requests" and for "CCHE/CPEC Reports" are not shown since they would only be misleading. The reason for this is that the amounts granted in any one year affect the requests for subsequent years. In other words, if a 7.2 percent increase had actually been granted to University of California faculty in 1970-71, rather than no increase, the University's request and the amount reported by the Coordinating Council for 1971-72 would have been much less than the 11.2 percent figure shown. Accordingly, totals for these columns have little meaning. Secondly, the totals shown for the "Increases Granted" and "Percentage Changes in the Consumer Price Index" columns are not directly comparable to the "Average" figures shown directly beneath them. For example, although the average annual increase in the CPI for the ten-year period shown was 6.7 percent, the total increase for the same period was 91.6 percent. Similarly, the total noted for increases granted is less than the average multiplied by ten. The reason for this is that the "Totals" have been compounded for each year of increase to more accurately reflect what actually occurred over the period of time involved.

What these data show is that over the past ten years, the amount requested by the segments has been granted once for the University and twice for the State University, although it has been close in two other years. The advice of the Coordinating Council and the Commission was adopted by the Governor and the Legislature for the University in only one year and never for the State University, but was close for both segments in four others. A comparison of the actual increases granted with the CPI shows that the University and State University faculty have lost 30.1 and 26.5 percent in purchasing power, respectively, compared to the ten-year increase in the cost of living.

Another way of looking at the problem is to compare actual salaries paid to faculty in 1968-69 with those they are paid today. In doing so, however, it is extremely important to make a distinction between changes in salary ranges and changes in average salaries (the all-ranks average). The example below illustrates the point:

<u>Example A</u>			<u>Example B</u>		
Professor	<u>Salary</u>	<u>Number of Faculty</u>	Professor	<u>Salary</u>	<u>Number of Faculty</u>
Step 1	\$23,000	100		\$23,000	500
Step 2	24,000	200		24,000	400
Step 3	25,000	300		25,000	300
Step 4	26,000	400		26,000	200
Step 5	27,000	500		27,000	100



In comparing the percentage differences noted above with the total increases granted (Table 2), there is approximately a 4.4 percent difference for each segment, an amount that is probably accounted for in terms of differences in the number of faculty at each step within the ranks involved. From an examination of the two tables together, however, it is fair to state that the loss of purchasing power since 1968-69 has been approximately 26 to 30 percent for the University and 22 to 26 percent for the State University. The fact that parity figures for both segments are considerably less than these amounts is a reflection of the loss of purchasing power in higher education generally.

In last year's salary report, Commission staff discussed the possibility of amending SCR 51 to include direct consideration of changes in the cost of living. The issue was stated in the following terms:

Should faculty salaries be based solely on the criterion of "equity" for the faculty member who has clearly lost economic ground in terms of inflation or should it be based on the State's legitimate interest in maintaining only a competitive balance with comparison institutions? If the "equity" argument is accepted, the State should adopt most or all of the salary increases recommended by the segmental governing boards since they have demonstrated that their faculties have not kept pace with prevailing economic conditions. If "competition" is to be the primary or sole criterion, as it has been for twelve years, the increases indicated by the data in this report should be adopted. If a compromise is desired, the Legislature and the Governor may wish to select a figure somewhere between the two.

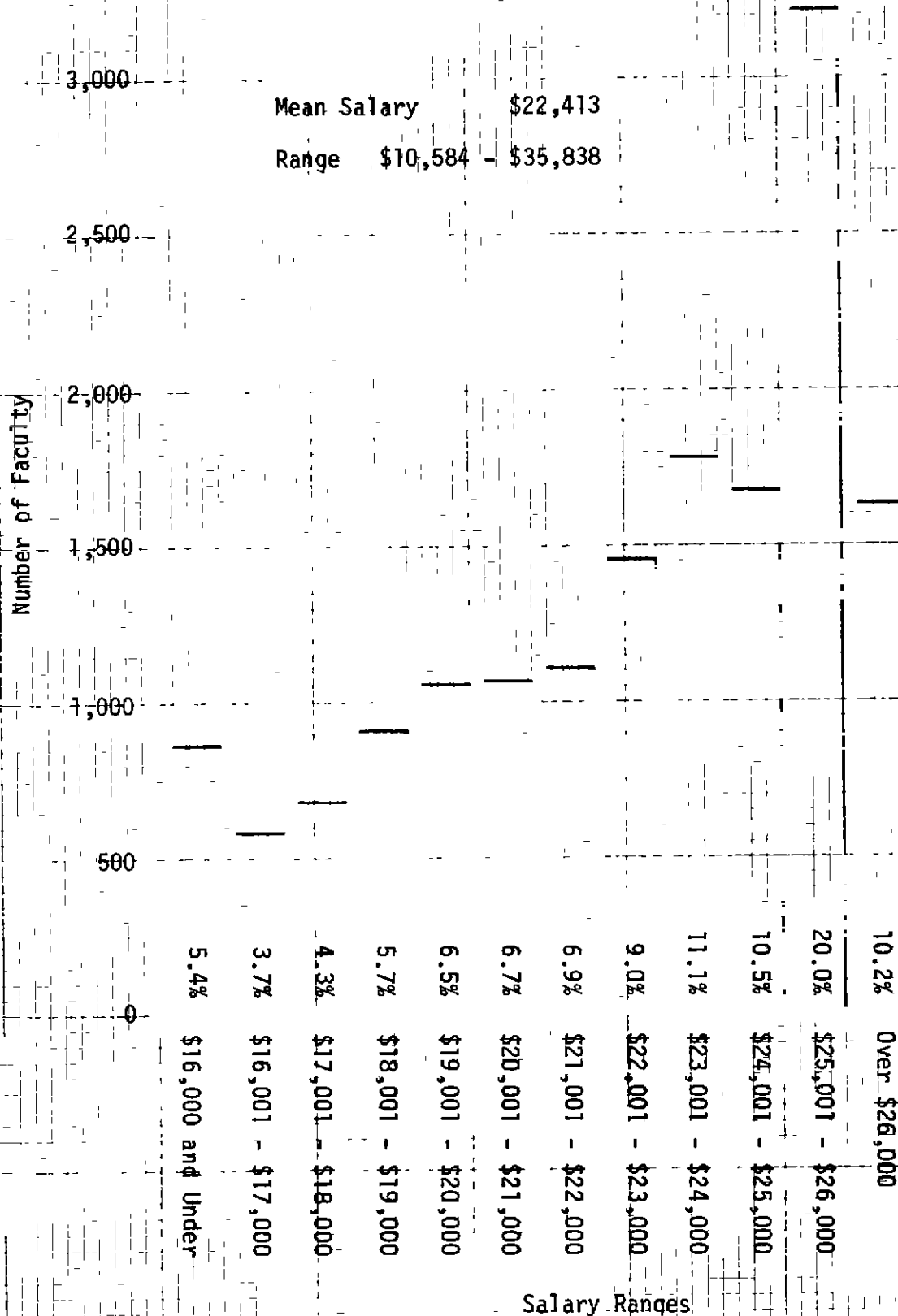
The Commission believes that the spirit as well as the letter of SCR 51 dictates a continuation, in this report, of the past practice of presenting data from the respective comparison institutions and reporting the increases derived from that data. Not only is this valuable in maintaining a historical perspective, it is also consistent with the present understanding of legislative intent. If that understanding is inconsistent with the present philosophy of the Legislature, then it appears reasonable to ask that a new concurrent resolution be approved which will guide the Commission in future reports.<sup>10</sup>

10. Final Annual Report of Faculty Salaries and Cost of Fringe Benefits at the University of California and the California State University and Colleges: 1978-79, CPEC Agenda, April 10, 1978, p. 9.

TABLE 6

Frequency Distribution for  
Faculty Salaries in the  
California Community Colleges

1977-78



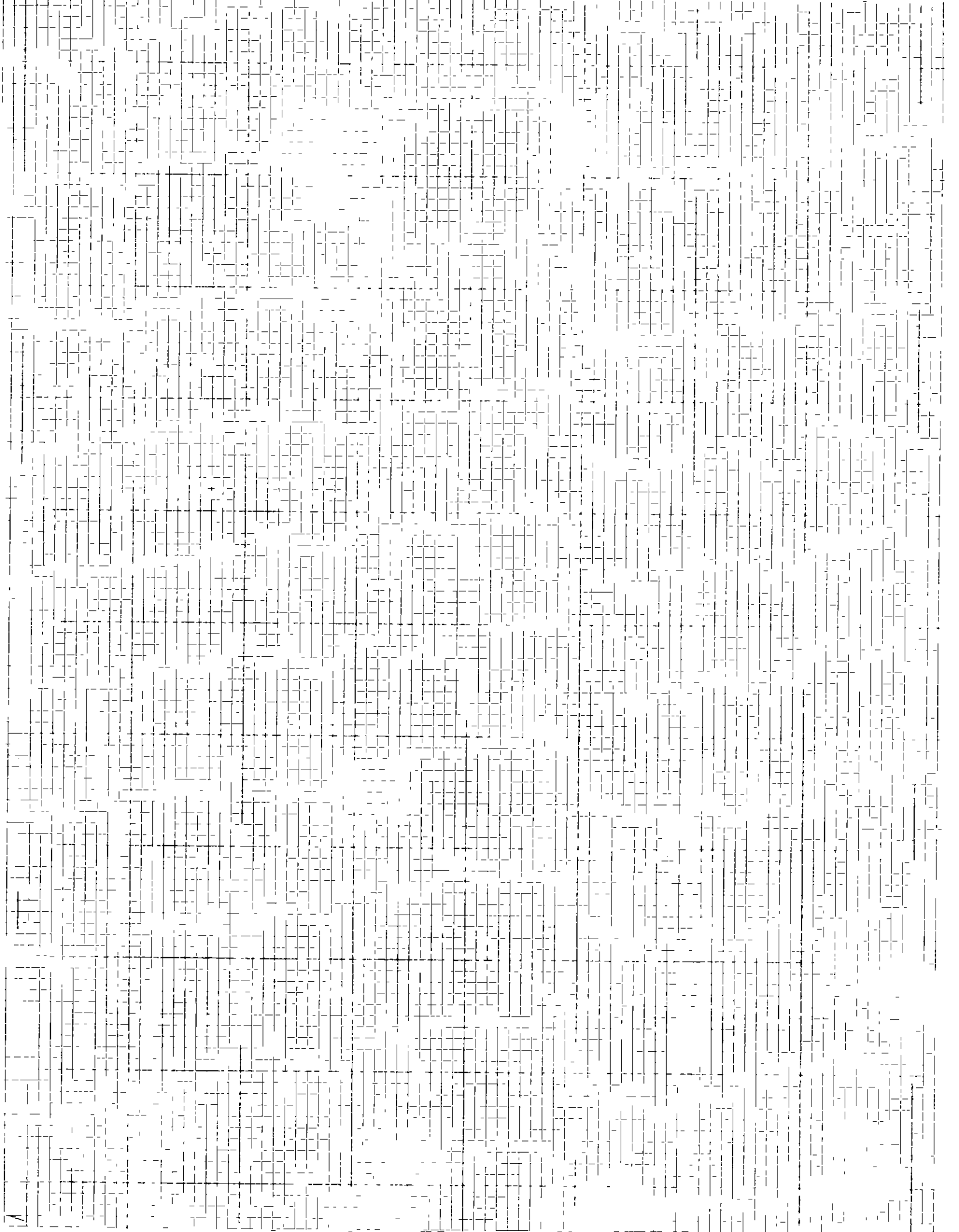
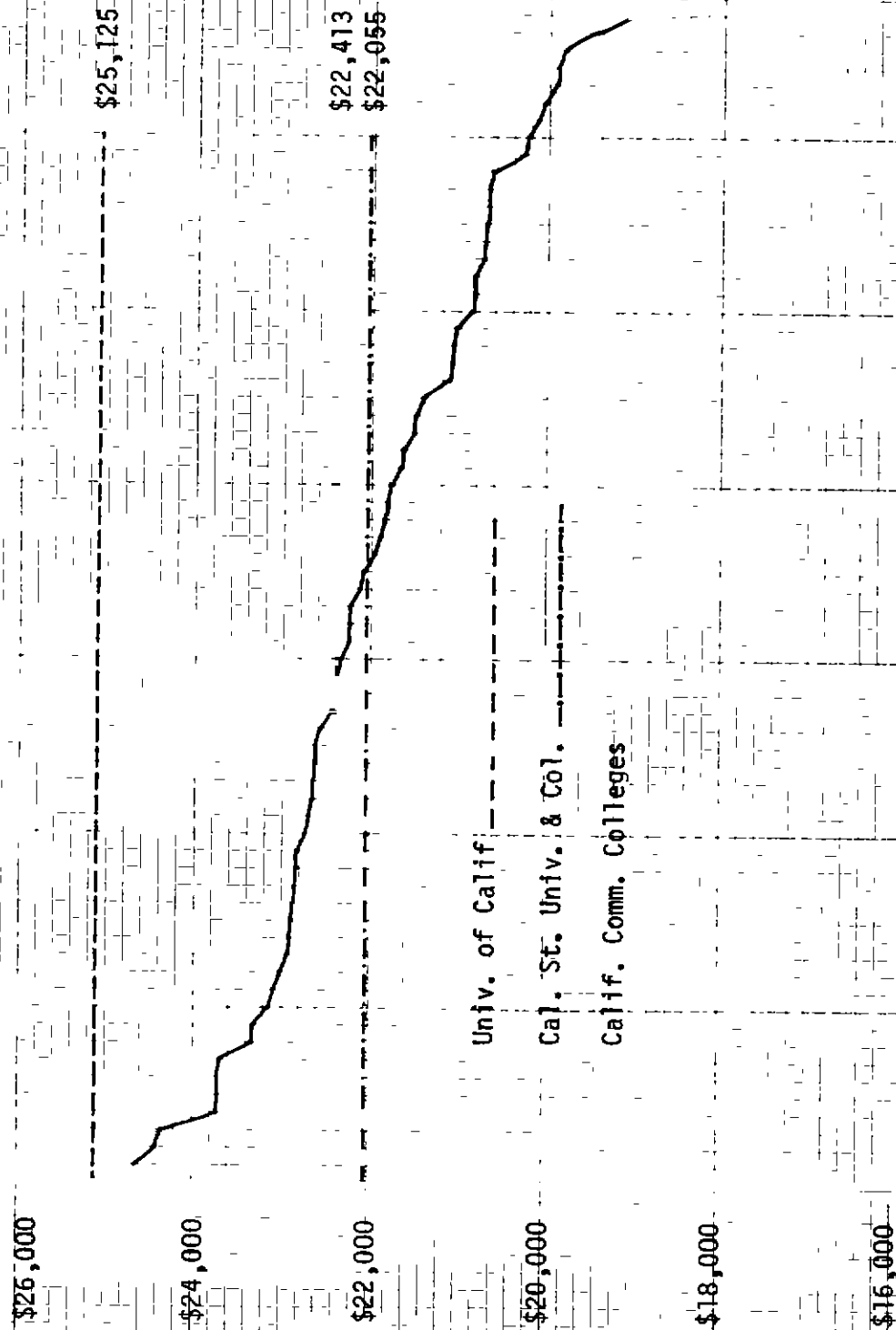
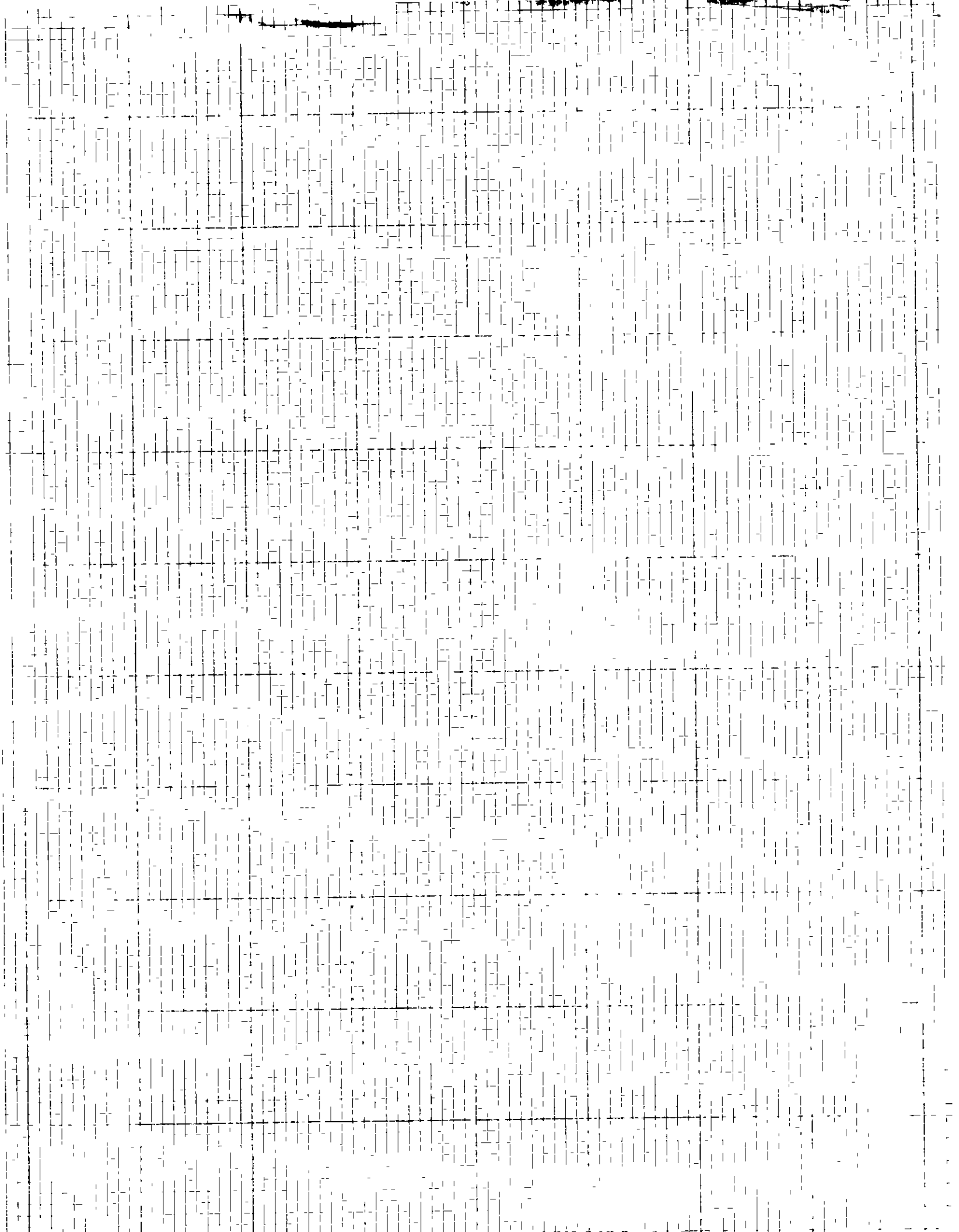


TABLE 5  
Distribution of Mean Salaries  
for Faculty in the

California Community Colleges  
1977-78



Community College Districts (68)



## BRIEF

Policy Development Committee  
Tab 2: Item B  
April 9, 1979

Agenda Title: Final Annual Report on Faculty Salaries in California Public Higher Education, 1979-80: University of California; California State University and Colleges; California Community Colleges; and University of California Medical Faculty

### Action Item

### Summary:

Annually, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the California Postsecondary Education Commission, with data-collection assistance from the University and the State University, submits to the Governor and the Legislature an analysis of faculty salaries and the cost of fringe benefits at the four-year segments for the forthcoming fiscal year.

Since the 1973-74 budget year, the report has been submitted in two parts. The first, a preliminary report, is developed in December as an aid to the Department of Finance in its development of the Governor's Budget. The second, a final report, is issued in the spring for use by the legislative fiscal committees during budget hearings.

This year's final report, which accompanies the Agenda as a separate item, has been expanded considerably from the preliminary report presented to the Commission on December 10, 1978. That preliminary report contained several discussions, including: the history of the salary reports; the requests of each of the segments; an analysis of the University of California's staffing pattern projections; the effect of economic conditions on faculty salaries; the projected compensation levels at the comparison institutions; the percentage increases in California salaries necessary to attain parity with those projections; an analysis of the accuracy of those projected compensation levels; and the projected cost of fringe benefits. This final report contains all of the material from the preliminary report including updates of several tables, new parity projections for both salaries and the cost of fringe benefits, a deeper analysis of the losses in purchasing power incurred by faculty in the four-year segments, and several clarifications of the wage/price standards developed by President Carter's Council on Wage and Price Stability.

In addition, the final report contains the first analysis of faculty salaries in the California Community Colleges undertaken by the Commission. The results of this analysis indicate that the Community Colleges, as a group, are the highest paying institutions of their type in the nation. In most cases, they are also competitive with the California State University and Colleges.

Included within the appendices to this report is an analysis of the comments offered by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80. Also included is a report developed by the University of California on medical faculty salaries. This report, prepared as the result of a legislative directive, contains discussions of the various types of compensation plans in effect in several different medical schools across the country, as well as the actual amounts of compensation received.

Two resolutions accompany this final report on faculty salaries and the cost of fringe benefits. The first is a transmittal of the report without a recommendation, a procedure that has been used in recent years. The second reaffirms the resolution approved by the Commission on December 11, 1978, which recommended increases in faculty salaries consistent with the wage/price standards.

Recommended Action:

Adoption of the proposed resolutions.

## BRIEF

Policy Development Committee

Tab 2: Item B

April 9, 1979

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Since the 1973-74 budget year, the report has been submitted in two parts. The first, a preliminary report, is developed in December as an aid to the Department of Finance in its development of the Governor's Budget. The second, a final report, is issued in the spring for use by the legislative fiscal committees during budget hearings.

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California Postsecondary  
Education Commission

Proposed Resolution 2

Relating to Faculty Salaries at the  
University of California and the  
California State University and Colleges,  
1979-80

- WHEREAS, The California Postsecondary Education Commission has received, reviewed, and transmitted the Final Report on Faculty Salaries in California Public Higher Education: 1979-80, and
- WHEREAS, This report confirms the data presented in the preliminary report and indicates that the faculties of the University of California and the California State University and Colleges are now projected to lag behind their counterparts in their comparison institutions by 12.6 and 10.1 percent, respectively, in average salaries for the 1979-80 fiscal year, and
- WHEREAS, The Commission, based on its review of the preliminary report, approved a resolution calling for increases in faculty salaries in both the current and coming fiscal years, and
- WHEREAS, All of the available data and all of the methodologies that have been used to measure the appropriateness of current faculty salary levels continue to indicate that a substantial salary increase is warranted; now, therefore, be it
- RESOLVED, That the California Postsecondary Education Commission reaffirms its belief, expressed in the approval of Resolution No. 28-78 (December 11, 1978), that faculty salaries at the University of California and the California State University and Colleges are inadequate and should be increased, and be it further
- RESOLVED, That such increases should be dictated by the findings of this report and the standards promulgated by the Council on Wage and Price Stability, and be it further
- RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Director of Finance, the Legislative Analyst, and other appropriate officials.

TABLE 9

COMMUNITY COLLEGES IN THE UNITED STATES  
PAYING THE HIGHEST FACULTY SALARIES<sup>1</sup>  
1977 - 1978

<u>Institution</u>	<u>State</u>	<u>Median Salary</u>	<u>Faculty Size</u>
1. Fullerton College	California	\$26,500	255
2. Diablo Valley College	"	26,400	247
3. Contra Costa College	"	26,200	135
4. Los Angeles Harbor College	"	25,800	175
5. Los Angeles Pierce College	"	25,700	302
6. San Joaquin Delta College	"	25,700	203
7. San Mateo, College of	"	25,500	229
8. Cerritos College	"	25,400	268
9. Los Angeles Valley College	"	25,400	272
10. Canāda College	"	25,300	90
11. East Los Angeles College	"	25,300	201
12. Los Angeles Trade Technical	"	25,300	258
13. Los Angeles City College	"	25,100	300
14. Citrus College	"	24,700	117
15. Cypress College	"	24,700	195
16. Orange Coast College	"	24,700	326
17. Saddleback Community College	"	24,600	143
18. Monterey Peninsula College	"	24,400	107
19. Pasadena City College	"	24,400	343
20. Chabot College	"	24,200	250
21. El Camino College	"	24,100	363
22. Long Beach City College	"	24,000	275
23. West Valley College	"	24,000	260
24. Nassau Community College	New York	23,900	435
25. Westchester Community College	"	23,900	181
26. Evergreen Valley College	California	23,800	86
27. Shasta College	"	23,800	134
28. Bakersfield College	"	23,800	250
29. Henry Ford Community College	Michigan	23,700	208
30. Washtenaw Community College	"	23,700	119
31. Merritt College	California	23,700	151
32. Taft College	"	23,700	28
33. City College of San Francisco	"	23,600	450
34. College of the Siskiyous	"	23,600	46
35. Foothill College	"	23,600	185
36. Santa Barbara City College	"	23,600	154
37. Santa Rosa Junior College	"	23,500	182
38. Santa Monica College	"	23,500	194
39. Chaffey College	"	23,500	199
40. Golden West College	"	23,400	245
41. College of the Desert	"	23,400	106
42. Montgomery College	Maryland	23,400	73

Source: AAUP Bulletin, Vol. 63. No. 3, August 1977.

1. As with Table 8, figures for the eight ~~community~~<sup>not</sup> colleges of the City University of New York were reported for 1977-78. However, in 1976-77, 38 California Community Colleges had higher mean salaries than the CUNY system as a whole. Taken individually the three highest ranking community colleges in the CUNY system would have ranked 17th, 24th, and 32nd.

Source: AAUP B

Source: AAUP Bulletin, Vol. 63. No. 3, August 1977.

1. As with Table 8, figures for the eight community colleges of the City University of New York were not reported for 1977-78. However, in 1976-77, 38 California Community Colleges had higher mean salaries than the CUNY system as a whole. Taken individually the three highest ranking community colleges in the CUNY system would have ranked 17th, 24th, and 32nd.

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1972-73	2,123 (45.9%)	1,079 (23.3%)	1,422 (30.8%)	N/A
1978-79	2,594 (55.7%)	1,131 (24.3%)	931 (20.0%)	N/A
California State University and Colleges				
1972-73	3,727 (33.2%)	3,271 (29.1%)	3,991 (35.5%)	242 (2.2%)
1978-79	5,489 (48.3%)	3,438 (30.2%)	2,221 (19.5%)	218 (1.8%)

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
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1978-79	5,489 (48.3%)	3,438 (30.2%)	2,221 (19.5%)	218 (1.8%)

## CHAPTER I

### UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

#### INTRODUCTION

Annually, in accordance with Senate Concurrent Resolution No. 51 (1965 General Legislative Session),<sup>1</sup> the University of California and the California State University and Colleges submit to the Commission data on faculty salaries and the cost of fringe benefits for their respective segments and for a group of comparison institutions specified for each.<sup>2</sup> On the basis of these data, estimates are derived of the percentage changes in salaries and the cost of fringe benefits required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology by which these data are collected and analyzed is designed by the Commission in consultation with the two segments, the Department of Finance, and the Office of the Legislative Analyst. Commission staff audits the data and prepares two reports, one in the fall and one in the spring, which are transmitted to the Governor, the Legislature, and appropriate officials. The report which follows is the final report for the 1979-80 budget cycle.

This report contains two major chapters: (1) an overview of faculty salaries and the cost of fringe benefits at the University of California and the California State University and Colleges; and (2) a preliminary analysis of faculty salaries in the California Community Colleges.

In addition, there is also a discussion of general economic conditions; an analysis of the comments on faculty salaries that were published by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80; and a report on medical faculty salaries that was developed by the University of California pursuant to a legislative directive. The final two items are included as Appendices.

#### HISTORY OF THE SALARY REPORTS

The impetus for the faculty salary reports came from the Master Plan Survey Team in 1960, which recommended that:

1. See Appendix A.
2. See Appendix D for the lists of comparison institutions used for the University of California and the California State University and Colleges. x

3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the testing of the assumptions underlying this report.<sup>3</sup>

For the ensuing four years, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in his Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. These reports, while undoubtedly helpful to the process of determining faculty compensation levels, were considered to be insufficient, especially by the Assembly which consequently requested<sup>4</sup> the Legislative Analyst to prepare a specific report on the subject.

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51, which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council and, subsequently, the Commission, have submitted reports to the Governor and the Legislature. The first, a preliminary report, is released in December as an aid to the Department of Finance in its<sup>5</sup> development of the Governor's Budget; the second, a final report,<sup>5</sup> is issued in the spring for use by the legislative fiscal committees during budget hearings.

3. A Master Plan for Higher Education in California, 1960-1975, California State Department of Education, Sacramento, California, 1960, p. 12.
4. This request came in the form of House Resolution No. 250 (Unruh) during the 1964 First Extraordinary Session of the Legislature (Appendix B).
5. Prior to 1973-74, only one report was issued for each budget cycle.

In each of these reports, faculty salaries and the cost of fringe benefits in California's four-year public segments are compared with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.<sup>6</sup> In general, other indices such as changes in the Consumer Price Index have not been employed, since the original rationale for the salary surveys was the maintenance of competitive institutional parity rather than parity vis-a-vis the cost of living. It was not intended that salary adjustments would necessarily prevent erosion in faculty purchasing power since inflation was a minor concern in 1965. The primary objective was to assure that California's public institutions would be able to attract and retain the most-qualified faculty members available and thereby at least maintain, and hopefully improve, the quality of educational programs.

Since the passage of SCR 51, the Coordinating Council and the Commission have issued reports for thirteen budget cycles. In each case, comparison institutions have been employed in determining salary and fringe benefit levels. This report, the fourteenth in the series, continues that tradition.

#### SEGMENTAL REQUESTS FOR FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

Each year, the segmental central offices prepare requests for faculty salaries and the cost of fringe benefits for presentation to their respective governing boards--the Regents and the Trustees. The segmental requests for salaries and the amounts granted by the Governor and the Legislature since the 1965-66 fiscal year are shown in Table 1.

It should be noted that, although the average increase granted to State University faculty has been approximately 1 percentage point greater than that approved for University faculty over the past fourteen years, this disparity has been all but eliminated since 1968-69. In the ensuing ten years, the average increase for University faculty has been 4.0 percent, while that for State University faculty has been 4.3 percent. During the past four years, the percentage increases have been identical. Also, the ten-year period referred to includes three years when no increases were granted.

6. The methodology for the faculty salary reports is shown in Appendix C. Comparison institutions are shown in Appendix D.

TABLE 1

PERCENTAGE INCREASES REQUESTED BY THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND THE  
AMOUNTS GRANTED BY THE GOVERNOR AND THE LEGISLATURE  
1965-66 THROUGH 1979-80

<u>Year</u>	University of California		California State University and Colleges	
	<u>Requested</u>	<u>Granted</u>	<u>Requested</u>	<u>Granted</u>
1965-66	10 0%	7.0%	10.0%	10.7%
1966-67	2 5	2 5	6.1	6.6
1967-68	6 5	5 0	8.5	5.0
1968-69	5.5	5 0	10.5	7.5
1969-70	5 2	5.0	5 2	5.0
1970-71	7 2	0.0	7.0	0.0
1971-72	11 2	0.0	13.0	0.0
1972-73	13.1	9.0	13.0	8.9
1973-74	5.4	5.4	7.5	7 5
1974-75	4.7	4.5	5.5	5.5
1975-76	10 8	6.7	10.4	6.7
1976-77	4.6	4.3	7.2	4.3
1977-78	6 8	5.0	8.5	5.0
1978-79	9.3	0.0	9.9	0.0
1979-80	<u>16 0</u>	<u>N/A</u>	<u>14.4</u>	<u>N/A</u>
Total		78.11%*	-	101.8%*
Average		4.2%		5.2%

\*These totals are compounded to indicate the total percentage increases granted since 1964-65. No totals are shown for segmental requests since they are affected greatly by the amounts granted.



## University of California

On November 16 and 17, 1978, the University's Board of Regents discussed the faculty salary request for the 1979-80 fiscal year. The President of the University made a lengthy presentation in which he explained the role of the Commission and some of the mechanics of the process of comparing University faculty salaries to those in other universities across the country and in California. He noted that, although the University has supported the comparison method, the Governor and the Legislature have seldom approved the increases which were dictated by that methodology:

. . . the legislative process has seldom been guided by the comparison survey in over a decade. The Legislative Analyst pointed out in his analysis of the Budget Bill, 1975-76, ". . . in only one year out of ten were segmental recommendations fully implemented." Moreover, for the current year and for 1970-71 and 1971-72, despite the results of the comparison survey, the range adjustment was zero.

President Saxon also discussed the effects of inflation on University faculty, stating that the ability of the University to compete for outstanding individuals has been seriously eroded and that it would be difficult to maintain the quality of the institution unless there were substantial salary increases at all ranks. This situation is discussed further starting on page 6 of this report.

For the 1979-80 fiscal year, the Regents requested a range adjustment of 16.0 percent, as well as an adjustment in current-year salaries retroactive to October 1, 1978. The amount of that adjustment has not been specified but, if approved, will be deducted from the 16.0 percent increase proposed for 1979-80. Given President Carter's standards, which appear to propose a limit of 7.0 percent on wage increases, any retroactive increase would probably be limited to that amount.

The components of the proposed 16.0 percent increase for University faculty are as follows:

Parity lag resulting from the survey of comparison institutions <sup>8</sup>	13.42%
Additional amount needed to cover inflation for Assistant Professors	0.24
Additional amount needed to recoup some inflation for all ranks	<u>2.34</u>
Total	16.00%

7. Regents of the University of California Agenda, Item 505, p. 2, November 16, 1978.

8. Due to developments which occurred after the Regents approved the 13.42 percent figure, it should be changed to 12.15 percent. This is discussed further on pp. 17-18 of this report.

## California State University and Colleges

The State University Trustees met on November 28 and 29, 1978, and approved a faculty salary increase of 14.4 percent for 1979-80. This figure includes an 8.0 percent increase to equal the current estimated rate of inflation,<sup>9</sup> plus a 6.4 percent increase which the Chancellor's Office estimates is equal to one-fourth of the erosion in purchasing power experienced by State University faculty over the past ten years (1969-70 through 1978-79). In addition, the Trustees approved a resolution requesting a 7.0 percent increase retroactive to October 1, 1978. If this increase is granted, the 14.4 percent request will be adjusted downward.

It should be noted that the State University has not employed the Commission's comparison methodology in any way in developing its request for faculty salary increases for 1979-80; rather, it has adopted an approach that is totally dependent on changes in the United States Consumer Price Index (CPI). In this respect, the Trustees' approach is markedly different from that employed by the University Regents.

This is the second year that the State University has based its requests for faculty salary increases on changes in the cost of living. Last year, the Trustees offered several criticisms of the comparison methodology and called for a thorough reexamination of SCR 51. This year, the Commission's report and methodology were not mentioned in the written presentation to the Trustees, but it is clear that the Trustees no longer support the comparison approach in determining appropriate salary levels.

### FACULTY SALARIES AND ECONOMIC CONDITIONS

The public four-year segments, particularly the State University, have increasingly maintained that the use of comparison institution data does not provide an adequate picture of the true economic status of the academic profession. Both have argued that additional factors, primarily changes in the CPI, should also be considered.

Table 2 shows a composite of segmental requests, reports from the Coordinating Council and the Commission, amounts approved by the Governor and the Legislature, and changes in the CPI for the ten-year period beginning with the 1969-70 fiscal year. It provides a useful perspective on the changes in the economic status of faculty members.

9. That inflation rate has been updated to 9.0 percent for Fiscal 1978-79. See Table 2.

TABLE 2

SALARY INCREASES FOR FACULTY REQUESTED BY THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND  
COLLEGES, INCREASES REQUIRED TO ATTAIN PARITY WITH  
COMPARISON INSTITUTIONS, SALARY INCREASES GRANTED  
BY THE GOVERNOR AND THE LEGISLATURE, AND CHANGES  
IN THE UNITED STATES CONSUMER PRICE INDEX  
1969-70 THROUGH 1978-79

Year	Segmental Requests		CCHE/CPEC Reports		Increases Granted		Percentage Changes in the Consumer Price Index
	UC	CSUC	UC	CSUC	UC	CSUC	
1969-70	5.2%	5.2%	5.2%	5.2%	5.0%	5.0%	5.9%
1970-71	7.2	7.0	7.2	7.0	0.0	0.0	5.2
1971-72	11.2	13.0	11.2	13.0	0.0	0.0	3.6
1972-73	13.2	13.0	13.1	13.0	9.0	8.9	4.0
1973-74	5.4	7.5	6.4	8.8	5.4	7.5	9.0
1974-75	4.7	5.5	4.5	4.2	4.5	5.5	11.1
1975-76	10.8	10.4	11.0	9.7	6.7	6.7	7.1
1976-77	4.6	7.2	4.6	4.6	4.3	4.3	5.8
1977-78	6.8	8.5	6.8	5.3	5.0	5.0	6.7
1978-79	<u>9.3</u>	<u>9.9</u>	<u>8.0</u>	<u>3.3</u>	<u>0.0</u>	<u>0.0</u>	<u>9.0</u>
Totals*					47.3%	51.5%	91.6%
Average					4.0%	4.3%	6.7%

\*Compounded.

The average salary for professors in Example A is \$25,666 while that for Example B is \$24,333 in spite of the fact that the salary range and the number of total faculty at the rank of professor is the same in both examples. Thus, comparing salaries from year to year can be hazardous, and the problem increases in complexity when one is dealing with an all-ranks average covering several faculty ranks rather than a single rank, as in the example given above.

The only way to present an accurate picture of how salaries have actually changed is to use the identical staffing pattern for all years under consideration. This technique has been used by the Commission in this report and is equally applicable to comparing faculty salaries at California institutions with institutions in other states. This is explained more fully in Appendix H which discusses the comments of the Legislative Analyst.

Table 3 below shows the average salaries, by rank, for both the University and the State University for 1968-69 and for 1978-79.

TABLE 3

RANK-BY-RANK SALARIES FOR THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1968-69 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1968-69	\$19,680	\$13,365	\$10,618	N/A
1978-79	29,630	20,533	16,964	N/A
California State University and Colleges				
1968-69	\$17,020	\$12,732	\$10,481	\$ 9,097
1978-79	26,399	20,324	16,668	14,509

In the ten-year period covered, the staffing patterns have changed dramatically, with a far greater number of faculty in the higher ranks. Although precise figures are not available for 1968-69 due to changes in the method of computing total faculty, those for 1972-73 to the present are shown below.

TABLE 4

STAFFING PATTERNS AT THE UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
1972-73 AND 1978-79

<u>Segment</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>
University of California				
1972-73	2,123 (45 9%)	1,079 (23.3%)	1,422 (30 8%)	N/A
1978-79	2,594 (55 7%)	1,131 (24 3%)	931 (20 0%)	N/A
California State University and Colleges				
1972-73	3,727 (33 2%)	3,271 (29 1%)	3,991 (35 5%)	242 (2.2%)
1978-79	5,489 (48 3%)	3,438 (30.2%)	2,221 (19 5%)	218 (1.8%)

What Table 4 illustrates is that both segments are maturing, with a greater number of faculty members at the professor rank and fewer at the assistant professor rank. When the all-ranks averages are computed, the average salary paid would inevitably rise, even if no salary increases had been granted, since more people are located in the higher salary ranges.

The only way to provide a true picture of the effect of salary increases granted by the Governor and the Legislature is to apply the same staffing pattern to both sets of rank-by-rank averages. In the case at hand, the 1978-79 staffing pattern has been chosen.

TABLE 5

A COMPARISON OF ALL-RANKS AVERAGES FOR THE  
UNIVERSITY OF CALIFORNIA AND THE  
CALIFORNIA STATE UNIVERSITY AND COLLEGES  
USING RANK-BY-RANK AVERAGES FOR 1968-69 AND 1978-79  
AND THE STAFFING PATTERN FOR 1978-79

<u>Segment</u>	<u>1968-69</u>	<u>1978-79</u>	<u>Difference</u>
University of California	\$16,334	\$24,888	+52.4%
California State University and Colleges	\$14,293	\$22,432	+56.9%

Without question, both the University and the State University have been dissatisfied in recent years with the amounts that have been appropriated for faculty salary increases. The fact that each segment has lost substantial ground in comparison to the cost of living makes this entirely understandable, for it makes recruiting of outstanding faculty members more difficult and is detrimental to morale. But it is important to remember that in a climate of economic austerity no methodology, whether based on a comparison approach or a formula designed to reflect inflationary trends, will generate salary increases that are satisfactory to the groups receiving them. At the present time, it may appear advantageous to use an approach geared to the CPI, but it is also a fact that this technique had no advocates during the years of low inflation in the early and mid-1960s, when the results of the comparison surveys dictated salary increases greater than the average annual increase in the cost of living. If that situation should return--if the demand for faculty members should again exceed the supply and push salaries up at accelerated rates--few could doubt that the present arguments for a CPI-based salary methodology would quickly evaporate.

The probable reason why the comparison methodology has survived this long is that it actually incorporates more than mere comparisons with other institutions. Virtually all postsecondary institutions use some form of comparison method to determine the appropriate levels of compensation their faculties receive. For example, the eight institutions currently used for comparison purposes by the University each have their own comparison institutions, and those institutions use still others. Many of these colleges and universities relate their salary-setting policies directly to the cost of living, some use a comparison approach, and others use both. Virtually all of them are aware of inflation, just as are the California institutions. If one or more institutions used for comparison purposes by the California segments adjust their salaries on the basis of inflation, the parity figures employed here will be affected. In this way, the methodology used in this report will always be more comprehensive than a simple adjustment for changes in the CPI.

### Federal Wage and Price Standards

On October 24, 1978, President Carter announced his anti-inflation program in response to what he termed the "nation's most serious economic problem." In a white paper on the subject, the Council on Wage and Price Stability noted that earlier efforts to control inflation had not been successful and that a more comprehensive program is necessary.

Earlier this year, the President outlined the framework of a voluntary program that required the cooperation of government, business and labor. This program was designed to break the momentum of wage/price increases in the private sector

and to reduce government's contribution to inflation. Simultaneously, the federal budget deficit for Fiscal 1979 was reduced by some \$20 billion. These efforts have not been enough; stronger measures are required. Thus, the President has now acted:

● to intensify the anti-inflation efforts of government by

- adopting a stringent budget policy that will create an overall climate in which the inflationary process can unwind,

- establishing procedures that minimize the inflationary impact of government regulations, and

- indicating his intention to veto legislative measures and other actions of government that provide benefits to narrow special-interest groups;

● to break the upward spiral of costs and prices by

- enunciating explicit numerical standards for noninflationary wage and price increases, and

- making clear his intention to use his administrative powers to support adherence to those standards in individual situations.<sup>11</sup>

The white paper goes on to describe the actions to be taken by the federal government to control inflation. Included among them is a goal of reducing the federal deficit and holding federal spending each year to a total of 21 percent of the Gross National Product. Obviously, these goals will be difficult to meet, and the white paper describes numerous actions to be taken to accomplish them. Some of these actions directly involve federal government employees:

In order to contribute to these goals, the President has imposed severe limits on hiring of Federal employees for an indefinite period. Effective immediately, Federal agencies may fill only one out of two vacancies as they occur. This step will reduce the number of Federal employees budgeted for this fiscal year by about 20,000. In July, the President announced a 5.5 percent limitation on Federal employee pay raises and a freeze on Federal executive pay levels.<sup>12</sup>

11. Fact Book: Wage and Price Standards, Council on Wage and Price Stability, p. 3, October 31, 1978.

12. Ibid.

In its preliminary report on 1979-80 faculty salaries, Commission staff indicated that there was considerable uncertainty as to the exact meaning and applicability of the wage and price standards. It was noted that the regulations obtained from the Council on Wage and Price Stability seemed to relate only to the private sector and that the Council had not yet developed regulations for governmental entities, including higher education faculty. Since then, these ambiguities have been resolved.

On Monday, February 5, 1979, Commission staff attended a conference on the standards in Oakland, sponsored by the University of California's Institute of Industrial Relations at Berkeley. In attendance were Robert Russell, the Deputy Director of the Council on Wage and Price Stability; Robert J. Flanagan, Senior Staff Economist of the Council of Economic Advisors; Clark Kerr, former Director of the Institute (as well as former President of the University); and a number of others representing business, labor, the legal profession, and government. From the presentations made and the ensuing discussions, the following was made clear:

1. The wage and price standards definitely apply to government agencies at all levels, including all colleges and universities.
2. Within any given federal fiscal year (October 1 to September 30), salary and benefit increases granted to employee groups (including State employees and faculty members) may not exceed 7 percent.
3. Merit salary adjustments are included within the 7 percent limit and must be accounted for on a group basis. The standards do not apply to individuals; once a percentage amount for the group is factored in, an individual may receive both the salary increase and the merit increase, even though the combination of the two is greater than 7 percent. Also, salary increases resulting from promotions do not fall within the 7 percent limitation.
4. Any increases in fringe benefits must be accounted for within the 7 percent limit.

What this means for those employees covered by this report, as well as for all State employees in general, is that California is really working with two fiscal years, the period between July 1 and September 30 and the period between October 1 and June 30. Accordingly, and since State employees received no salary adjustments during the current California fiscal year, it would be possible for the Legislature to appropriate funds in a number of ways:

1. An increase not to exceed 7 percent retroactive to October 1, 1978, and another increase of 7 percent beginning October 1,



1979. The latter increase would have to commence on October 1 and not July 1, since the July 1 date would generate a 14 percent increase for the last quarter of the federal fiscal year. Also, the 7 percent figure would have to be adjusted to account for fringe benefits and merit increases.

2. No retroactive increase but two increases within the California fiscal year, the first running from July 1 to September 30 and the second from October 1 to June 30, 1980. Each increase could be for 7 percent, adjusted downward for fringe benefit and merit increases.
3. A 7 percent increase for the California fiscal year 1979-80. This increase would probably not have to be adjusted for merit increases since it would bridge two federal fiscal years where 14 percent is allowable.

Two bills have been introduced in the Senate which adopt one or another of these approaches. The first is SB 91 (Alquist) which provides for an increase of 5 percent from the date the bill is signed to the end of the 1978-79 fiscal year, a retroactive increase in the same amount to October 1, 1978, and a 7 percent salary increase for the 1979-80 fiscal year. The bill applies to all State employees, including University and State University faculty.

The second bill is SB 575 (Paul Carpenter) and provides for a 7 percent salary increase from July 1, 1979 to September 30, 1979 and another 7 percent increase from October 1, 1979 to June 30, 1980. This bill applies only to University and State University faculty.

As the standards now read, the Carpenter bill is in compliance but the Alquist bill is not. To be in compliance the Alquist bill would have to be amended to make the 1979-80 increase effective on October 1, 1979.

#### PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES REQUIRED FOR PARITY WITH THE COMPARISON GROUP PROJECTIONS

The projected 1979-80 salaries for faculty at the University of California and the California State University and Colleges are shown in Table 6. (See Appendices E and F for the computation of these figures as well as those for the cost of fringe benefits.)

The error in question came to the attention of both the University administration and Commission staff at approximately the same time and extensive discussions were held in an attempt to resolve the problem. Commission staff has long believed that a projection of the staffing pattern is preferable to the use of a prior-year pattern or even a current-year estimated pattern, since it eliminates the need for artificial adjustments in the figures to reflect such factors as merit increases and promotions. Obviously, however, the projections must be accurate to be useful and, at that time, the requisite accuracy was missing.

The staffing pattern projection originally developed by the University for the 1979-80 fiscal year showed a distribution of faculty among the three ranks similar to that projected for 1978-79. This distribution produced a parity need of 13.42 percent, the amount approved by the Regents in October before the errors were discovered. Subsequently, the University proposed a modification of the projections, a modification that was used for the preliminary report. The changes were outlined in a letter from Vice President Kleingartner to Director Callan (Appendix I).

It should be mentioned that the process of predicting a staffing pattern involves the consideration of four variables: (1) estimates of the number of new appointments; (2) the number of separations (retirements, resignations, leaves of absence, and deaths); (3) the number of promotions; and (4) the number of merit increases that will be granted. Some of these factors affect the average salary at each rank, some affect the number of people at each rank, and some affect both. An error in any one of them will affect the overall percentage figures indicated for parity.

In order to adjust the staffing pattern to reflect more accurately the experience of prior years, the University assumed the same level of merit increases and promotions that had been in evidence in prior years, rather than attempt to make a detailed prediction. For this final report, however, that prediction has been refined, with the result that the staffing pattern projection for 1979-80 has been revised slightly from the preliminary report. Table 8 shows the staffing patterns for the University since 1972-73, together with three projections for the 1979-80 fiscal year: (1) the original projection for the preliminary report; (2) the revised projection for the preliminary report, which excludes specific projections of merit increases and promotions; and (3) the projection for the final report. It should be noted that the revised projection for the preliminary report and the new projection contained in this final report are consistent with the trends of previous years.

TABLE 8  
UNIVERSITY OF CALIFORNIA STAFFING PATTERNS,  
1972-73 THROUGH 1979-80

<u>Year</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Total</u>
1972-73	2,120.00	1,079.00	1,422.00	4,621.00
1973-74	2,210.00	1,096.00	1,339.00	4,645.00
1974-75	2,295.00	1,126.00	1,223.00	4,644.00
1975-76	2,392.00	1,156.00	1,181.00	4,729.00
1976-77	2,492.00	1,230.00	1,125.00	4,847.00
1977-78	2,501.98	1,141.47	965.74	4,609.19
1978-79	2,593.56	1,131.38	931.24	4,656.18
1979-80				
Original Fall Projection	2,978.63	915.26	836.91	4,730.80
Amended Fall Projection	2,557.66	1,141.88	1,031.26	4,730.80
Spring Projection	2,706.91	1,086.55	937.34	4,730.80

#### Accuracy of the Comparison Institutions' Projections

From time to time, questions have arisen concerning the accuracy of the projections of salaries to be paid by the comparison institutions in the forthcoming budget year. As noted previously, the preliminary report involves the projection of comparison institution salaries at each rank for a two-year period. When updated information is obtained from these institutions in the spring, the projection is made again, but only for one year. For this report, comparison institution data is available for the 1978-79 fiscal year and is projected forward one year, to 1979-80. In the preliminary report, data for the 1977-78 year was used and the projection made for two years, to 1979-80.

Table 9 shows the history of these projections from 1972-73 to 1978-79. These years were chosen since the lists of comparison institutions remained constant for the entire period.

What these figures show is that the projections for the comparison institutions have been remarkably accurate over the years, especially in the final report, when updated information from the comparison institutions is available. Additionally, these data do not

show that either the University or the State University has been scheduled to receive increases higher than it should have received had there been no error in the data at all. Of the seven years surveyed, the increase indicated for the University was less than would have been warranted in four cases (and more in three) in the preliminary report, and less than would have been warranted in five cases in the final report. For the State University, the indicated increases were less than deserved in four of the years in the preliminary report and less than deserved in three cases in the final report.

It can be concluded that the accuracy of the predictive mechanism in the salary reports has been proven over the years. It is also evident that the final spring reports tend to reduce the margin of error reported in the fall. Finally, it appears that the predictions of actual salaries to be paid by the University's comparison group are slightly more accurate in both the preliminary and final reports than those for the State University's comparison group. Both the segments and governmental authorities, however, may be assured that the percentage increases required to attain parity for both University and State University faculty, as reported in this final report, are accurate to within 1 percent or less.

#### PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY AND COLLEGES AND AT THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1979-80 cost of fringe benefits at the University of California and the California State University and Colleges are shown in Table 10.

Fringe benefits for faculty consist of retirement, social security, unemployment insurance, workman's compensation, health insurance, life insurance, and disability insurance. The largest cost component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 10, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

There are, of course, many different kinds of retirement programs in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution (e.g., the University of California Retirement System--UCRS). In other cases, the program includes public agencies outside of postsecondary education (e.g., the Public

*These factors tend to limit the usefulness of the fringe benefit figures shown; for this reason, the Commission urges that these data be used with the utmost caution. This is especially true of the data for State University faculty, since they are members of PERS and must share both payments and benefits with thousands of other State employees.*

Such is the nature of cost comparisons for fringe benefits. At best, they are only very rough indicators of benefit levels; at worst, they are extremely misleading. Both the University and the State University have indicated this year that, regardless of the results of the comparison of their benefit packages to those of their comparison institutions, fringe benefits should correspond to those received by all other State employees. Given the inadequacies of the data in this area, this approach is probably the most equitable for both segments.

TABLE 9

COMMISSION PROJECTIONS OF UNIVERSITY OF CALIFORNIA AND CALIFORNIA  
STATE UNIVERSITY AND COLLEGES' COMPARISON INSTITUTION  
FACULTY SALARIES WITH ACTUAL SALARIES RECEIVED  
1972-73 THROUGH 1977-78

Year	UC Comparison Group Salaries			% Actual Higher Than Projection		CSUC Comparison Group Salaries			% Actual Higher Than Projection	
	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring
<b><u>Professors</u></b>										
1972-73	\$24,191	\$23,292	\$23,243	-3.9%	-0.2%	\$20,492	\$20,023	\$20,001	-2.4%	-0.1%
1973-74	24,333	24,296	24,482	+0.6	+0.8	21,693	21,049	20,978	-3.3	-0.3
1974-75	24,679	25,596	25,863	+4.8	+1.0	22,195	21,979	22,053	-0.6	+0.3
1975-76	26,761	27,040	27,586	+3.1	+2.0	23,027	23,067	23,937	+4.0	+3.8
1976-77	28,275	29,115	28,828	+2.0	-1.0	24,103	25,286	25,171	+4.4	-0.5
1977-78	31,032	30,365	30,386	-2.1	+0.1	26,713	26,510	26,121	-2.2	-1.5
1978-79	31,983	32,059	32,383	+1.2	+1.0	27,920	27,537	27,813	-0.4	+1.0
Cumulative Error <sup>1</sup>				+0.81	+0.53				-0.07	+0.34
Mean Predictive Error <sup>2</sup>				+2.53	+0.87				+2.47	+1.07
<b><u>Associate Professors</u></b>										
1972-73	\$16,652	\$16,204	\$16,439	-1.3%	+1.5%	\$15,960	\$15,425	\$15,385	-3.6%	-0.3%
1973-74	16,945	17,218	17,004	+0.3	-1.2	16,558	16,182	16,115	-2.7	-0.4
1974-75	17,839	17,756	17,876	+0.2	+0.7	17,000	16,889	17,077	+0.5	+1.1
1975-76	18,540	18,570	18,829	+1.6	+0.9	17,699	17,881	18,330	+3.6	+2.5
1976-77	19,499	19,672	19,524	+0.1	-1.3	18,558	19,294	19,024	+2.5	-1.4
1977-78	20,971	20,444	20,646	-1.5	+1.0	20,336	19,985	19,836	-2.5	-0.7
1978-79	21,406	21,609	21,943	+2.4	+1.5	20,994	20,941	21,227	+1.1	+1.3
Cumulative Error <sup>1</sup>				+0.26	+0.44				-0.16	+0.30
Mean Predictive Error <sup>2</sup>				+1.06	+1.16				+1.64	+1.10
<b><u>Assistant Professors</u></b>										
1972-73	\$13,313	\$12,999	\$12,895	-3.1%	-0.8%	\$12,873	\$12,680	\$12,652	-1.7%	-0.2%
1973-74	13,660	13,524	13,481	-1.3	-0.3	13,582	13,272	13,224	-2.6	-0.4
1974-75	14,271	14,119	14,032	-1.7	-0.6	13,897	13,840	13,941	+0.3	+0.7
1975-76	14,786	14,651	14,827	+0.3	+1.2	14,485	14,557	14,845	+2.5	+2.0
1976-77	15,297	15,530	15,509	+1.4	-0.1	15,119	15,586	15,371	+1.7	-1.4
1977-78	16,430	16,219	16,365	-0.4	+0.9	16,424	16,098	16,055	-2.2	-0.3
1978-79	16,962	17,164	17,447	+2.8	+1.6	16,859	16,842	17,058	+1.2	+1.3
Cumulative Error <sup>1</sup>				-0.29	+0.27				-0.11	+0.24
Mean Predictive Error <sup>2</sup>				+1.57	+0.79				+1.74	+0.90
Cumulative Error (All Ranks)				+0.26	+0.41				-0.11	+0.29
Mean Predictive Error (All Ranks)				+1.72	+0.94				+1.95	+1.02

1 The Cumulative Error is derived by adding the seven minus (-) and plus (+) values together and dividing by seven.

2 The Mean Predictive Error is derived by adding the numerical values (ignoring the pluses and minuses) and dividing by seven.

The remainder of the Analyst's report on faculty salaries is primarily concerned with the University of California. Table 7 of the Analysis<sup>2</sup> is shown below. In the table, the salaries paid at various institutions across the country in 1977-78 are compared with those at the University.

**Table 7**  
**UC Faculty Compared to Major**  
**Public Institutions of Comparable Function**  
**1977-78 AAUP Data**  
**(dollars in thousands)**

<i>Institution</i>	<i>Professor</i>		<i>Associate Professor</i>		<i>Assistant Professor</i>		<i>All</i>	
	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>	<i>Number</i>	<i>Salary</i>
<b>California</b>								
University of California (All)	2,580	\$29.5	1,257	\$20.6	1,186	\$17.1	5,032 <sup>b</sup>	\$24.4
Percent	51.5%		25.0%		23.5%		100%	
<b>New York</b>								
Albany	232	29.7	211	21.5	200	16.1	643	
Binghamton	141	29.7	138	21.7	115	15.7	394	
Buffalo	309	30.8	308	21.4	188	16.2	805	
Stoney Brook	233	30.7	183	21.6	134	15.6	550	
All	915	\$30.3	840	\$21.5	637	\$15.9	2,392	\$23.4
Percent	38.3%		35.1%		26.6%		100%	
<b>Michigan</b>								
MSU	921	26.4	526	20.7	448	17.1	1,895	
UM	929	29.7	392	21.3	340	17.0	1,661	
Wayne St	333	28.8	302	21.9	387	16.6	1,022	
West M	235	24.4	301	18.6	237	15.4	773	
All	2,418	\$27.8	1,521	\$20.7	1,412	\$16.7	5,351	\$22.9
Percent	45.2%		28.4%		26.4%		100%	
<b>Wisconsin</b>								
Madison	784	26.7	259	19.2	284	16.6	1,327	
Milwaukee	237	28.5	228	19.4	232	16.7	697	
All	1,021	\$26.7	487	\$19.3	516	\$16.6	2,024	\$22.3
Percent	50.4%		24.1%		25.5%		100%	
<b>Illinois</b>								
Urbana	957	28.2	590	19.9	476	16.6	2,023	
Chu, Circle	250	27.4	300	20.0	285	16.1	835	
All	1,207	\$28.0	890	\$19.9	761	\$16.4	2,858	\$22.4
Percent	42.4%		31.2%		26.6%		100%	
<b>Texas</b>								
Austin	624	\$28.1	438	\$20.3	553	\$16.7	1,615	\$22.1
Percent	38.6%		27.1%		34.3%		100%	
<b>Harvard<sup>a</sup></b>								
Percent	512	\$33.7	94	\$20.9	219	\$16.7	825	\$27.7
	62%		11.4%		26.6%		100%	
<b>Stanford<sup>a</sup></b>								
Percent	450	\$32.2	130	\$21.9	163	\$17.5	743	\$27.2
	60.5%		17.5%		22%			

<sup>a</sup> Major private institutions shown for informational purposes

<sup>b</sup> AAUP data reports more positions than CPEC, however, average salaries are nearly identical

2. Ibid., page 1397.

**Table 6**  
**CALIFORNIA STATE UNIVERSITY AND COLLEGES**  
**Percentage Increase in CSUC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1978-79,**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Weighted by Total Faculty by Rank in All Comparison Institutions)**

<i>Academic Rank</i>	<i>CSUC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in CSUC 1978-79 Salaries</i>
Professor	\$26,399	\$27,718 (4.8%)	\$29,220	10.69%
Associate Professor	20,324	21,021 (3.3%)	22,125	8.86
Assistant Professor	16,668	16,930 (1.6%)	17,772	7.50
Instructor	14,509		14,171	-2.33
All Rank Average ..	\$22,165 *		\$24,232 *	9.32%
Less Turnover and Promotions			-111	-0.50
Adjusted Total			24,121	8.82

\* Based on CSUC 1977-78 staffing Professor 5,101, Associate Professor 3,554, Assistant Professor 2,464, Instructor 203 Staff Total 11,322

First, with respect to projecting salaries into the next budget year, it should be remembered that the Analysis is directed to that budget year, which is the one now under consideration by the Legislature. Secondly, there should be no concern that the Commission is "hiding" figures by using an all-ranks average; individual rank-by-rank figures have been included as an appendix in every salary report the Commission has published.

A few words are also appropriate to explain exactly what an "all-ranks average" is and why it is employed. It is a weighted average used as a computational tool for determining the amount of money necessary to produce a specified percentage increase for all three professional ranks (four ranks if that of Instructor is included). In order for the Governor and the Legislature to appropriate funds for a specified percentage increase, it is necessary to compare a single figure with another single figure. That is the function of the all-ranks average and it would not be possible to make a single percentage appropriation without it.

Concerning Tables 5 and 6 in the Analyst's report, it should be noted that the percentage lags indicated are produced by an inappropriate method. First, at the time the Analyst's report was published, current-year figures (1978-79) for the comparison group were not available. Therefore, the figures published as current-year salaries for the comparison institutions were not the actual averages but only estimates, a fact which was not noted. In addition, if the Analyst had used the same divisor employed by the Commission to show the percentage increases required for parity in 1979-80, his estimates of lag in the current year would have been greater than the amounts he reported. This is shown on the following page.



4. Comparison institutions should not include any that are used for the University of California.

In support of his view that " . . . California faculty--particularly those in the University of California system--are receiving an extremely high level of support from the taxpayers of California that compares most favorably with faculty in other states," the Analyst offers a review of four indices:

1. The current year (1978-79) salary situation;
2. Actual 1977-78 salaries paid at comparable public institutions;
3. Actual 1977-78 salaries paid at the comparable eight institutions when ranked by campus with the University of California; and
4. The patterns of faculty transfer to other institutions.

In his comments, the Analyst advises the reader to bear in mind that the Commission projects salaries into the next budget year and that it "hides salary differences at individual ranks" by using an all-ranks average. He goes on to state that, "If we examine the estimated current year data (1978-79) by rank, we see that there is not a great disparity in the salaries paid, particularly at the lower associate and assistant professor levels." To support this statement, the Analyst presents the following Tables 5 and 6<sup>1</sup> which show that, in 1978-79, Professors at the University lag behind their comparison group by 7.6 percent, Associate Professors by 5.0 percent, and Assistant Professors by 1.2 percent. Comparable figures for the State University in Table 6 are 4.8 percent, 3.3 percent, and 1.6 percent, respectively. All data for both tables, except for the column labeled "Comparison Group Lag" are taken from the Commission's preliminary December report.

**Table 5**  
**UNIVERSITY OF CALIFORNIA**  
**Percentage Increase in UC 1978-79 All Ranks Average Salary**  
**Required to Equal the Comparison Group Projections for 1979-80,**  
**Based on Five-Year Compound Rate of Increase in Comparison Group Salaries**  
**(Equal Weight to Each Comparison Institution)**

<i>Academic Rank</i>	<i>UC Average Salaries 1978-79</i>	<i>Comparison Group Lag 1978-79</i>	<i>Comparison Group Projected Salaries 1979-80</i>	<i>Percentage Increase Required in UC 1978-79 Salaries</i>
Professor	\$29,630	\$32,060 (7.6%)	\$33,824	14.15%
Associate Professor	20,533	21,608 (5.0%)	22,616	10.14
Assistant Professor	16,964	17,163 (1.2%)	18,002	6.12
All Ranks Average	\$24,673 *		\$27,670 *	12.15

\* Based on projected UC 1979-80 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions. Professor 2,557.66 Associate Professor 1,141.88, Assistant Professor 1,031.26 Total staff 4,730.80

1. Tables 5 and 6, Analysis of the Budget Bill, 1979-80, page 1396.

Employees Retirement System--PERS) which includes State University faculty and nonacademic employees along with most other State employees).

TABLE 10

ALL-RANKS AVERAGE COST OF FRINGE BENEFITS AT THE  
UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA  
STATE UNIVERSITY AND COLLEGES, REQUIRED  
TO EQUAL THE COMPARISON INSTITUTION  
PROJECTIONS FOR 1979-80

<u>Institution</u>	Cost of Fringe Benefits in 1978-79	Comparison Institution Projected Cost of Fringe Benefits in 1979-80	Projected Percentage Increase Required: 1979-80
University of California	\$5,948	\$4,817	-19.02% <sup>1</sup>
California State University and Colleges	\$5,543	\$4,065	-26.67% <sup>2</sup>

1 Adjusted for the effect of a 12.64% range adjustment.

2 Adjusted for the effect of a 10.10% range adjustment.

Because the payments to and the benefits from these fringe-benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he leaves for another employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

The Commission has periodically examined this difference in approach and concluded that there is no compelling reason for favoring one over the other. For this reason, and because the resulting computations produce only minor differences in the projections, it was decided to allow each segment to use the procedure it prefers.

The second difference in the methodology utilized by the segments is that the staffing pattern for the University is now projected into the 1979-80 budget year while that for the State University is the actual pattern for the 1978-79 year.

The 1979-80 budget cycle is the second year that the University of California has projected its staffing pattern into the budget year. In the Commission's preliminary report, it was noted that the University's projections for 1978-79 were inaccurate to a significant extent and that the projections for 1979-80 seemed to continue that level of inaccuracy.

Table 7 shows the 1978-79 projections together with the estimate used for the preliminary report:

TABLE 7

PROJECTED AND PRELIMINARY REPORT ESTIMATES FOR THE NUMBER  
OF FACULTY AT EACH RANK AT THE UNIVERSITY  
OF CALIFORNIA, 1978-79

<u>Rank</u>	<u>Projection</u>	<u>Preliminary Report Estimate</u>	<u>Percentage Difference</u>
Professor	2,835.00	2,593.56	-8.5%
Associate Professor	971.55	1,131.38	+16.45
Assistant professor	865.89	931.24	+7.55
Total	4,672.44	4,656.18	-0.35

This table shows that while the estimate for the total number of faculty to be employed in the budget year was quite accurate (0.35%), the rank-by-rank projections were not. Nevertheless, this error would not have had a dramatic effect on the overall percentage increase in salaries indicated by the methodology, since the rank-by-rank averages for both the comparison group and the University were weighted by the same staffing pattern. Thus, while the percentage indicated in the final report (1978) was 7.96 percent using the projected pattern, it would have been 7.82 percent if the actual figures had been available at that time, a difference of only 0.14 percent.

TABLE 6

ALL-RANKS AVERAGE SALARY REQUIRED AT THE UNIVERSITY  
OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY  
AND COLLEGES TO EQUAL THE COMPARISON  
INSTITUTION PROJECTIONS FOR 1979-80

<u>Institution</u>	<u>Salaries in 1978-79</u>	Comparison Institution Salary Levels Projected for 1979-80	Projected Percentage Increase Required: 1979-80
University of California	\$25,337	\$28,538	12.64%
California State University and Colleges	\$22,401	\$24,663	10.10%

There are two major differences in the segmental computations. The University, in deriving its figures for the all-ranks average in its comparison institutions, uses what is known as the "average of averages" approach. This method involves the computation of an average salary, by rank, for each of its comparison institutions. Each of these average salaries is then added to produce a total, which is then divided by the number of comparison institutions to produce an average for the group. The State University, on the other hand, divides the total amount of money paid to all faculty at each rank by the total number of faculty at that rank in all of its comparison institutions combined. An average salary for each rank is thereby obtained and used as a mean for all faculty at that rank. These methods produce a system where each of the eight University comparison institutions has equal weight, regardless of size, while those for the State University are differentially weighted, with the larger institutions having a greater effect on the average than the smaller institutions.

A further word of explanation on this difference in methodology seems appropriate. The University argues that it competes directly for faculty with its comparison institutions, as well as with other institutions of like quality and mission. For this reason, that segment considers it more appropriate to compare rank-by-rank average salaries with institutional ranks. Conversely, the State University believes that a more accurate average can be obtained by using the mean of all salaries paid at each rank. The fact that this tends to make the larger institutions more important in determining the average is also considered appropriate, since more faculty are exchanged between the State University and those institutions than with the smaller ones.

TABLE 9

COMMISSION PROJECTIONS OF UNIVERSITY OF CALIFORNIA AND CALIFORNIA  
STATE UNIVERSITY AND COLLEGES' COMPARISON INSTITUTION  
FACULTY SALARIES WITH ACTUAL SALARIES RECEIVED  
1972-73 THROUGH 1977-78

Year	UC Comparison Group Salaries			% Actual Higher Than Projection		CSUC Comparison Group Salaries			% Actual Higher Than Projection	
	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring	Fall Projection	Spring Projection	Actual Salaries	Fall	Spring
<b>Professors</b>										
1972-73	\$24,191	\$23,292	\$23,243	-3 9%	-0 2%	\$20,492	\$20,023	\$20,001	-2 4%	-0 1%
1973-74	24,333	24,296	24,482	+0 6	+0 8	21,693	21,049	20,978	-3 3	-0 3
1974-75	24,679	25,596	25,863	+4 8	+1 0	22,195	21,979	22,053	-0 6	+0 3
1975-76	26,761	27,040	27,586	+3 1	+2 0	23,027	23,067	23,937	+4 0	+3 8
1976-77	28,275	29,115	28,828	+2 0	-1 0	24,103	25,286	25,171	+4 4	-0 5
1977-78	31,032	30,365	30,386	-2 1	+0 1	26,713	26,510	26,121	-2 2	-1 5
1978-79	31,983	32,059	32,383	+1 2	+1 0	27,920	27,537	27,813	-0 4	+1.0
Cumulative Error <sup>1</sup>				+0 81	+0 53				-0 07	+0.34
Mean Predictive Error <sup>2</sup>				+2.53	+0 87				+2 47	+1 07
<b>Associate Professors</b>										
1972-73	\$16,652	\$16,204	\$16,439	-1 3%	+1 5%	\$15,960	\$15,425	\$15,385	-3 6%	-0 3%
1973-74	16,945	17,218	17,004	+0 3	-1 2	16,558	16,182	16,115	-2 7	-0 4
1974-75	17,839	17,756	17,876	+0 2	+0 7	17,000	16,889	17,077	+0 5	+1 1
1975-76	18,540	18,570	18,829	+1 6	+0 9	17,699	17,881	18,330	+3 6	+2 5
1976-77	19,499	19,672	19,524	+0 1	-1 3	18,558	19,294	19,024	+2 5	-1 4
1977-78	20,971	20,444	20,646	-1 5	+1 0	20,336	19,985	19,836	-2 5	-0 7
1978-79	21,406	21,609	21,943	+2 4	+1 5	20,994	20,941	21,227	+1 1	+1 3
Cumulative Error <sup>1</sup>				+0 26	+0 44				-0 16	+0 30
Mean Predictive Error <sup>2</sup>				+1 06	+1 16				+1 64	+1 10
<b>Assistant Professors</b>										
1972-73	\$13,313	\$12,999	\$12,895	-3 1%	-0 8%	\$12,873	\$12,680	\$12,652	-1 7%	-0 2%
1973-74	13,660	13,524	13,481	-1 3	-0 3	13,582	13,272	13,224	-2 6	-0 4
1974-75	14,271	14,119	14,032	-1 7	-0 6	13,897	13,840	13,941	+0 3	+0 7
1975-76	14,786	14,651	14,827	+0 3	+1 2	14,485	14,557	14,845	+2 5	+2 0
1976-77	15,297	15,530	15,509	+1 4	-0 1	15,119	15,586	15,371	+1 7	-1 4
1977-78	16,430	16,219	16,365	-0 4	+0 9	16,424	16,098	16,055	-2 2	-0 3
1978-79	16,962	17,164	17,447	+2.8	+1 6	16,859	16,842	17,058	+1 2	+1 3
Cumulative Error <sup>1</sup>				-0 29	+0 27				-0 11	+0.24
Mean Predictive Error <sup>2</sup>				+1 57	+0 79				+1 74	+0 90
Cumulative Error (All Ranks)				+0 26	+0 41				-0 11	+0 29
Mean Predictive Error (All Ranks)				+1 72	+0 94				+1 95	+1 02

1 The Cumulative Error is derived by adding the seven minus (-) and plus (+) values together and dividing by seven.

2 The Mean Predictive Error is derived by adding the numerical values (ignoring the pluses and minuses) and dividing by seven

## APPENDIX K

California State University and Colleges Supplemental Information

Office of the Chancellor  
The California State University and Colleges

Average Cost of CSUC Benefits  
Fall 1978 (per full-time faculty)

Retirement (16.98% of salary)	\$3,804
Social Security	915
Medical Insurance	735
Unemployment Insurance	68
Workers Compensation	<u>22</u>
	\$5,544

3/20/79

Office of the Chancellor  
The California State University and Colleges

New Full-time Faculty  
Appointments Effective  
Fall 1978

	<u>Number</u>	No. w/Doctorate	
Professor	52	42	80.8
Associate Professor	106	71	67.0
Assistant Professor	370	185	50.0
Instructor	47	2	4.3
	<hr/> 575	<hr/> 300	<hr/> 52.28

3/20/79



Office of the Chancellor  
The California State University and Colleges

CSUC  
Comparison Institutions Data

Fall 1978 Data \*

Rank	Number	Expenditures		<u>Average</u>	
		Salaries	Benefits	Salary	Benefits
Professor	5,661	\$157,447,694	\$26,656,469	\$27,813	4,709
Associate Professor	4,838	102,697,762	18,417,755	21,227	3,807
Assistant Professor	4,904	83,654,210	15,174,330	17,058	3,094
Instructor	1,293	17,329,989	3,094,427	13,403	2,393

Fall 1973 Data

Rank	Number	Expenditures		<u>Average</u>	
		Salaries	Benefits	Salary	Benefits
Professor	4,867	\$102,098,059	\$14,589,740	\$20,978	\$2,998
Associate Professor	4,288	69,102,093	10,338,591	16,115	2,411
Assistant Professor	5,059	66,899,526	10,177,004	13,224	2,012
Instructor	1,560	15,947,849	2,425,323	10,223	1,555

\* All Institutions Reporting

3/19/79

Office of the Chancellor  
The California State University and Colleges

CSUC Full-Time Faculty  
with Tenure, with Doctorate  
Fall, 1978

	Headcount	No. w/Doctorate #	No. w/Tenure #	%
Professor	5,489	4,515	5,311	96.8%
Associate Professor	3,438	2,432	2,939	85.5%
Assistant Professor	2,221	1,030	395	17.8%
Instructor	218	8	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	11,366	7,985	8,645	76.1%

3/19/79

Office of the Chancellor  
The California State University and Colleges

CSUC Faculty Promotion  
Effective:

	Fall 1975	Fall 1976	Fall 1977
To:			
Professor	453	475	492
Associate Professor	509	440	389
Assistant Professor	10	7	8
	<hr/> 972	<hr/> 922	<hr/> 889

3/20/79

## APPENDICES

### FACULTY SALARIES AND THE COST OF FRINGE BENEFITS

- A - Senate Concurrent Resolution No. 51, 1965 General Session
- B - House Resolution No. 250, 1964 First Extraordinary Session
- C - Methodology Employed by the California Postsecondary Education Commission for Preparation of the Annual Reports on University of California and California State University and Colleges Faculty Salaries and Cost of Fringe Benefits
- D - University of California and California State University and Colleges Comparison Institutions, 1966-67 - 1979-80
- E - University of California Salaries and Cost of Fringe Benefits, 1979-80
- F - California State University and Colleges Salaries and Cost of Fringe Benefits, 1979-80
- G - Report on Medical School Clinical Compensation Plans and Clinical Faculty Salaries, University of California and Comparison Institutions
- H - An Analysis of the Report by the Legislative Analyst
- I - Letter From Vice President Kleingartner to Director Callan
- J - University of California Supplementary Information
- K - California State University and Colleges Supplemental Information

TABLE 9

COMMUNITY COLLEGES IN THE UNITED STATES  
PAYING THE HIGHEST FACULTY SALARIES<sup>1</sup>  
1977 - 1978

<u>Institution</u>	<u>State</u>	<u>Median Salary</u>	<u>Faculty Size</u>
1. Fullerton College	California	\$26,500	255
2. Diablo Valley College	"	26,400	247
3. Contra Costa College	"	26,200	135
4. Los Angeles Harbor College	"	25,800	175
5. Los Angeles Pierce College	"	25,700	302
6. San Joaquin Delta College	"	25,700	203
7. San Mateo, College of	"	25,500	229
8. Cerritos College	"	25,400	268
9. Los Angeles Valley College	"	25,400	272
10. Cañada College	"	25,300	90
11. East Los Angeles College	"	25,300	201
12. Los Angeles Trade Technical	"	25,300	258
13. Los Angeles City College	"	25,100	300
14. Citrus College	"	24,700	117
15. Cypress College	"	24,700	195
16. Orange Coast College	"	24,700	326
17. Saddleback Community College	"	24,600	143
18. Monterey Peninsula College	"	24,400	107
19. Pasadena City College	"	24,400	343
20. Chabot College	"	24,200	250
21. El Camino College	"	24,100	363
22. Long Beach City College	"	24,000	275
23. West Valley College	"	24,000	260
24. Nassau Community College	New York	23,900	435
25. Westchester Community College	"	23,900	181
26. Evergreen Valley College	California	23,800	86
27. Shasta College	"	23,800	134
28. Bakersfield College	"	23,800	250
29. Henry Ford Community College	Michigan	23,700	208
30. Washtenaw Community College	"	23,700	119
31. Merritt College	California	23,700	151
32. Taft College	"	23,700	28
33. City College of San Francisco	"	23,600	450
34. College of the Siskiyous	"	23,600	46
35. Foothill College	"	23,600	185
36. Santa Barbara City College	"	23,600	154
37. Santa Rosa Junior College	"	23,500	182
38. Santa Monica College	"	23,500	194
39. Chaffey College	"	23,500	199
40. Golden West College	"	23,400	245
41. College of the Desert	"	23,400	106
42. Montgomery College	Maryland	23,400	73

Source AAUP Bulletin, Vol 63 No 3, August 1977.

- 1 As with Table 8, figures for the eight community colleges of the City University of New York were not reported for 1977-78. However, in 1976-77, 38 California Community Colleges had higher mean salaries than the CUNY system as a whole. Taken individually the three highest ranking community colleges in the CUNY system would have ranked 17th, 24th, and 32nd.

Of the forty-two institutions listed, thirty-seven are in California, including the top twenty-three.

# Fac Salaries

1<sup>st</sup> revision (LAST - 2007)  
J.T. of (C)

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2<sup>nd</sup> revision (see attached,  
which have  
been corrected)

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